

FINANCIAL TIMES

CAR INDUSTRY

Europeans left in a cloud of smoke

Page 11

FT No. 31,520

© THE FINANCIAL TIMES LIMITED 1991

Friday August 2 1991

D 8523A

World News Business Summary

Croatia faces defeat by Serbian activists

Croatia's president, Franjo Tudjman, conceded that the breakaway Yugoslav republic lacked weapons to vanquish armed "Serbian terrorists" in the first public admission that defeat is possible. Mr Tudjman sacked two defence ministers and appointed Serbs in minor posts.

Three EC foreign ministers fly to Croatia today to try to arrange a ceasefire between the republic's forces and Serbian nationalists. Page 12; Milosevic tightens his grip round neighbours' throats. Page 2

Sri Lankan death toll
More than 2,000 Tamil rebels and soldiers in Sri Lanka have died in a battle that has raged for three weeks, the worst in the country's eight-year separatist war, an army official said. Page 4

ANC response
The African National Congress urged the South African government to make way for an interim administration, in its first detailed response to the Inkatha secret payments revelation. Page 4

Securities scandal
In Japan, a company headed by a son of a ruling LDP party leader emerged as a recipient of stock-loss payments made by 17 Japanese stockbroking companies. Page 12; Folksy exchange caught up in Tokyo's follies. Page 4

Employer accused
Europe's largest employer of women, the UK's National Health Service, was accused by the country's Equal Opportunities Commission of "deeply ingrained discrimination" towards its female workers. Page 7

Attali salary
The pay of Jacques Attali, president of the European Bank for Reconstruction and Development, has led to a fight in Washington for pay comparability among the heads of the world's international financial institutions. Page 12

Cholera in Cameroon
Cholera has killed 204 in the far north of Cameroon, state radio reported. The epidemic in west and central Africa has killed 3,000 since May.

UK immigrant fines
Britain doubled fines on airlines flying in migrants without proper documents to £2,000 (\$3,400) per person.

Seawolf delayed
Serious cracks have been found in the US Navy's first billion-dollar Seawolf attack submarine. The project will be delayed for at least a year beyond the planned 1995 delivery date, the Pentagon said.

Korean nuclear move
South Korea said for the first time it would consider talks with North Korea on nuclear non-proliferation but insisted that Pyongyang accept full international inspection of its nuclear plants.

Shuttle delay
The US space agency NASA postponed the launch of the shuttle Atlantis for at least a day because of bad weather.

Weekend FT

Tomorrow: all you need to read on huntin', shootin' and fishin' before the Glorious Twelfth

Your children's first financial steps

France to float stake in top lender Crédit Local

France moved further away from its opposition to privatisation by authorising a stock market flotation for Crédit Local de France, the country's market leader in local government finance.

Mr Pierre Bérégovoy, the finance minister, agreed to float 25 per cent of Crédit Local on the market, probably in November. The state will sell part of the 47.5 per cent it holds directly and indirectly in Crédit Local. Page 13

PHILIPS, Dutch electronics group which ran up heavy losses last year, reported a second quarter of strong profits recovery despite a further sharp reverse in its key consumer electronics division. Page 13

KOITO Manufacturing, Japanese car parts maker, discovered that a Swedish investor, Carlson Investment Management, is likely to become its largest shareholder. Page 13

DEUTSCHE BANK, Germany's biggest bank, reported a 15.6 per cent increase to DM2.16bn (\$1.8bn) in first half total operating profits thanks largely to strong balance sheet growth combined with an improved performance in own account securities trading. Page 13

BARCLAYS, UK's largest banking group, displayed the scars of recession by reporting a 37 per cent fall in interim profits, and leaving its dividend unchanged. Page 13

CONTINENTAL, German tyre group, has sold its 12.5 per cent stake in Kwik Fit, which has a UK chain of 800 tyre and exhaust fitting centres. Kwik Fit shares fell 3p to 126p when the 21.15m shares were placed at 126p each, valuing the stake at £26.4m. Page 18

BT, UK telecommunications company, unveiled sweeping changes in its pricing formula including discounting for high volume customers and reductions of nearly 20 per cent on selected international routes. Overall, BT's prices will fall by nearly 7 per cent less than inflation. Page 7

BANKAMERICA, California's largest bank, agreed to acquire Valley Capital, the second largest banking business in Nevada, for about \$400m in stock. Page 15

SMITHS INDUSTRIES, aerospace and medical systems group, expanded its general industrial activities in the US through the \$56m purchase of one of the leading manufacturers of hoses, pipes and flexible ducting. Page 18

GERMANY's total of new public sector debt in the current year will top DM200bn (\$116bn) according to a Finance Ministry internal memorandum. Page 2

YUGOSLAVIA: Bank representatives from Slovenia issued a strong plea to European politicians and banks to resume normal banking transactions. Page 2

AMERICAN Insurance Group posted a 9 per cent rise in second quarter net income to \$401m, or \$1.88 a share, against \$367.9m, or \$1.78, in the 1990 period. Revenues rose 8 per cent to \$4.1bn from \$3.8bn a year earlier. Page 15

Bush warns republics against 'local despots'

By Lionel Barber and Chryslia Freeland in Kiev

US president George Bush delivered a blunt warning yesterday to Soviet republics seeking independence from Moscow, declaring that the US would not support any leaders promoting "a suicidal nationalism".

In a speech to the Ukraine parliament, Mr Bush threw his weight behind President Mikhail Gorbachev's draft of a new Union Treaty offering greater autonomy to Soviet republics.

Just before he delivered his address, a crowd of more than 1,000 demonstrators carrying placards demanding independence for the Ukraine gathered in the streets of Kiev.

Mr Bush said the so-called "nine-plus-one" draft treaty offered greater autonomy and greater voluntary political and economic ties between the republics and the centre in Moscow.

In his speech, which followed this week's Moscow summit with Mr Gorbachev, the US president praised the Soviet leader for his "astounding" achievements, including his policies of glasnost, perestroika and democratisation.

Mr Bush dismissed critics who said he should choose between supporting Mr Gorbachev and independence-minded leaders in the Soviet Union, such as Mr Boris Yeltsin, the recently elected leader of the Russian Republic. "I consider this a false choice."

"We will maintain the strongest possible relationship with the Soviet government of President Gorbachev," he said, while pledging "improved relations" with the republics.

"Americans will not support those who seek independence in order to replace a far-off tyranny with a local despotism. They will not aid those who promote a suicidal nationalism based upon ethnic hatred," said Mr Bush.

His warning carried special resonance in the Ukraine, the republic often called the "bread-basket" of the Soviet Union, whose 32m-strong population includes ethnic minorities such as Jews, Russians, Ukrainians and Bulgarians.

The Ukraine has approved in principle the nine-plus-one draft agreement. But in recent months, Mr Leonid Kravchuk, the republic's Communist president, has raised objections, partly in an effort to neutralise its resurgent nationalist movement.

Mr Bush implicitly criticised calls in the Ukrainian parliament to introduce a separate currency and customs regime. Some Soviet cities and regions

had recently engaged in ruinous trade wars, he said. "Isolation and protectionism doom its practitioners to degradation and want."

Ukrainian reaction to Mr Bush's pro-union message was mixed. Mr Ivan Dnash, head of the Rukh nationalist party, said: "Mr Bush came to some extent as a messenger for the union treaty. He spoke to us as to negroes in Africa about the elementary politics and economics."

Unlike the Baltic republics and the Caucasus, the Ukraine has not opted for full independence, but it alone of the nine republics which participated in

negotiations to form a renewed federation has not yet approved the Union Treaty.

Mr Viacheslav Chornovil, a former dissident who is now head of Lvov province in radical western Ukraine, said: "He came here as a messenger of the censor, to pressure us. His speech was also a bit untactful, describing to us the ABCs of democracy."

Mr Bush's speech was most warmly received by the parliamentary leader of the Communist party of the Ukraine, "He spoke like a dialectician, like a true Marxist," said Mr Oleksandr Moroz.

Homage to Babi Yar. Page 2

Shamir leaves question of Palestinian involvement unresolved

Israel ready to join peace talks — with conditions

By Victor Mallet in Jerusalem

Mr Yitzhak Shamir, the Israeli prime minister, yesterday gave his government's conditional agreement to attend a Middle East peace conference sponsored by the US and the Soviet Union in October. But he left unresolved the argument about who will represent the Palestinians.

He made the announcement after meeting Mr James Baker, the US secretary of state, who is now on his sixth peace mission to the region since the Gulf war.

"Since its establishment Israel has sought peace with its neighbours," Mr Shamir said. "We have therefore expressed our readiness to enter peace negotiations in accordance with the US proposal — subject to a satisfactory solution of the issue of Palestinian Arab representation in the Jordanian-Palestinian delegation — and I will recommend to our cabinet to approve the proposal."

US president George Bush and Mr Baker, mindful of Israel's conditions, conceded that some work remained to be done before a conference could convene in October, but they welcomed the Israeli decision. Mr Baker described Mr Shamir's announcement as "extraordinarily positive and significant".

Mr Baker said: "I think that the prospect of Arab-Israeli peace discussions are no longer simply a dream."

It was fitting, he said, that talks about Middle East peace should be taking place on the eve of today's anniversary of the Iraqi invasion of Kuwait because aggression had been defeated and moderation given a chance to bloom.

Mr Baker is due to have talks with Palestinian representatives today before going to Jordan and north Africa. He is making the best of what Mr Bush and Soviet president Mikhail Gorbachev described at this week's Moscow summit as "an historic opportunity to secure a just and enduring peace in the Middle East".

The conference has been made possible by Syria's promise to attend and negotiate with Israel face-to-face after years of hostility, but Israel and the Palestinians are both digging in their heels over the composition of the Palestinian delegation.

Continued on Page 12



A Palestinian boy is taken away by an Israeli border policeman for questioning after a stone-throwing incident yesterday in an east Jerusalem street. He was later released.

Saudis, Kuwaitis still owe \$7.5bn for Gulf war costs

By Peter Riddell, US Editor, in Washington

SAUDI ARABIA and Kuwait still owe the US a total of \$7.5bn for their share of the costs of the Gulf war, according to figures released by Mr Richard Darman, the US budget director.

There was continuing diplomatic pressure on Saudi Arabia and Kuwait to pay more rapidly, although the US recognised their considerable economic problems, he said.

Mr Darman told the House ways and means committee late on Wednesday that the extra costs of the operation were expected to total \$61bn.

Foreign commitments total \$54bn, of which about 85 per cent, or more than \$46bn, has been received in the largest exercise in burden-sharing ever conducted. Almost \$41bn has been in cash and the rest in payments in kind, such as supplies and military equipment.

If the foreign commitments are paid in full, it leaves a net incremental cost to the US of about \$7bn, but some of that may be absorbed within the existing defence budget.

Although some Congressional investigations such as the General Accounting Office have claimed that a cost of \$61bn is an overestimate, and includes some normal defence expenditure, Mr Darman has insisted that the US is not going to "make money" out of the operation.

Many of the foreign contributions have been paid ahead of expenditure being incurred on, for example, replacing lost equipment or used ammunition.

The net effect of the Gulf operation on the budget deficit therefore is likely to be favourable by \$33bn in the current fiscal year, before being a negative \$12bn in the fiscal year starting in October.

Overall, Mr Darman said, the net impact would be less than \$15bn to the US. This is roughly 5 per cent of both the annual deficit and the defence budget.

About 98 per cent of the outstanding payments is due from Saudi Arabia and Kuwait, which have so far contributed \$12.7bn and \$12.5bn respectively.

The remaining 4 per cent relates mainly to accounting adjustments over valuations of in-kind payments.

The US is seeking payment in full while trying to defuse continuing Congressional irritation at suggestions that some countries have been dragging their feet and not fulfilling their pledges. Several legislative proposals have been put forward authorising increased import duties on products from countries which did not fulfil their pledges.

Several Congressmen have complained about what Mr Darman called a "difference of understanding" between the US and Japan over the \$9bn promised by Tokyo for 1991.

The US believed the whole Continued on Page 12

Editorial Comment, Page 10

CONTENTS

Brazilian telecoms: Foreign companies are poised to invade	3
South Korean trade: A resolute refusal to open the market to rice imports	3
Hiroshima stock exchange: Touched by Tokyo's securities scandals	4
Toyota car assembly: Contractors build on trust and team spirit	8
Olympic Games: Corporate sponsors enter the race for publicity	8
Hong Kong Time to come to terms with the Chinese dragon	10
Editorial comments Middle East: European car industry	10
International Companies	14-15
America	16-17
World Trade	3
Britain	6-7
Companies	18-20
Artis Guide + Reviews	9
Gold	22
Int. Capital Markets	22
Letters	22
Law	11
Lombard	11
Management	10
Financial Futures	30
Observer	10
World Stocks	31-34
London Markets	23
Technology	8
Unit Trusts	26-29
World Index	34

Milosevic's ruthless route to a greater Serbia



Serbian president Slobodan Milosevic is waging war against Croatia and working to destabilise the central republic of Bosnia Hercegovina. But when the time comes for negotiation, he will play the role of peacemaker. Page 2

MARKETS

STERLING New York lunchtime: \$1.87315 London: \$1.874 (1.885) DM2.9425 (2.94) FF9.9975 (10) SF2.57 (2.57) Y230.5 (231.5) £ Index 90.8 (90.9)	DOLLAR New York lunchtime: DM1.7583 FF9.9755 Y137.7 London: DM1.758 (1.745) FF9.9725 (5.935) SF1.535 (1.525) Y137.65 (137.35) S Index 88.9 (88.8) Tokyo close: Y137.2	STOCK INDICES FT-SE 100: 2,591.7 (+2.9) FT Ordinary: 2,008.7 (+2.8) FT-A All-Share: 1,237.31 (+0.1%) New York: DJ Ind. Av. 3,011.63 (-13.19) S&P Comp 386.62 (-1.19) Tokyo: Nikkei 24,072.73 (-48.02)
---	---	---

MAIDENHEAD £10.00 sq.ft.*	HOUNSLOW £11.00 sq.ft.*
SWINDON £6.25 sq.ft.*	CROYDON £8.90 sq.ft.*
READING £8.50 sq.ft.*	MANCHESTER £4.35 sq.ft.*
BIRMINGHAM £5.50 sq.ft.*	MILTON KEYNES £6.50 sq.ft.*

MID WALES £2.50 sq.ft.

CUT YOUR OVERHEADS IN ONE BEAUTIFUL MOVE

Whether you're expanding or consolidating we can help reduce your overheads and increase your profits in one beautiful move.

New high specification manufacturing units cost from just £2.50 per square foot rental in mid Wales, and there's a wide range available from 750-10,000+ square feet - with ample room to expand.

We can help you with Mid Wales Development Grants and low-interest loans as well as our low business rates, and you'll be moving to an area that combines a superb commercial environment with an outstanding quality of life for you and your family.

For details about the rural Wales solution to high overheads, send us the FREEPOST coupon or phone us FREE on 0800 269300 now!

*Industrial rents (Jones Lang Wootton, May 1991)

Please send me your information pack. I am interested in:

☐ 750-1,500 sq.ft. factories ☐ 5-10,000 sq.ft. factories

☐ 3-5,000 sq.ft. factories ☐ Science Park Units

NAME _____

ADDRESS _____

POSTCODE _____

TEL: _____

Send to Dept. 02130, Development Board for Rural Wales, FREEPOST, Newtown, Montgomeryshire SY16 1BR. (no stamp required) Or telephone us FREE on 0800 269300 now!

Rural Wales
The New Country

EUROPEAN NEWS

Slovenia makes strong plea to western banks

By Andrew Fisher in Frankfurt

BANK REPRESENTATIVES from Slovenia, the Yugoslav republic with the closest economic ties to the west, yesterday issued a strong plea to European politicians and banks to resume normal banking transactions and prevent an eventual industrial collapse.

"I fear that our friends, through their behaviour, will cause much more damage than the tanks," Mr Anton Slapnik, head of Jjubljanska Banka, the republic's biggest commercial bank, told a news conference.

He said later that this statement referred to European Community politicians, whose stance towards Yugoslavia had led export guarantee organisations to include Slovenia in the same high risk category as the whole country. This had caused banks to stop making deposits and granting short-term credits to maintain normal trade.

"Political risk is very important for banks," he added. "But the risk in Slovenia is a normal one."

Mr Slapnik was in Frankfurt with a Slovenian banking delegation, which held talks with around 20 German banks yesterday. The team also spoke to government officials in Bonn. Germany is Slovenia's biggest trading partner.

Mr Metod Rotar, the former head of the bank and now its special adviser, said Jjubljanska had met all its financial obligations. But, since May, normal bank dealings with the west had dried up. "We are not asking for more loans. Our request [to the banks] is that you should please do business with us in the same way that you did before."

The politically-induced disruption of capital flows was against the interests of banks and corporate investors, he added. More than 150 German companies, including Bayer and Hoechst in chemicals and Siemens and AEG in electrical and electronic products, had invested in Slovenia.

The Slovenian bankers said their call for the resumption of normal banking links was also aimed at Italy, Austria, Switzerland, France, and the US. Mr Slapnik hoped EC foreign ministers would act quickly to persuade export credit guar-

tee organisations to lower Slovenia's risk rating. "They are afraid this would be seen as (political) recognition of Slovenia," he said.

The present situation aroused fears that Slovenia's industry would not be able to keep going, he said. "If you can't import machinery or computers, you can't continue producing and then you have to stop. This is bad for our economy and our foreign partners."

Milosevic tightens his grip round neighbours' throats

Serbia's leader has designs not just on Croatia but on Bosnia too, writes Judy Dempsey, East Europe Correspondent

SERBIA'S PRESIDENT, Mr Slobodan Milosevic, is edging closer towards achieving his unstated but clearly desired goal of a greater Serbia, by pursuing a ruthless war of attrition against the Croats and by destabilising the central republic of Bosnia-Herzegovina.

Croatian officials argue that, by conducting his attrition campaign in Croatia, Mr Milosevic intends to force the Croats to the negotiating table, but only once they are in a sufficiently weakened condition to accept his terms.

Bosnian officials say that by trying to form an alliance between Bosnia-Herzegovina's Serbs and tiny Movement for Bosnia-Herzegovina (MBO), Mr Milosevic is aiming to set the three largest ethnic groups in the republic against each other.

If he is successful, officials in both republics believe he will have isolated Croatia completely, and will then be in a position to carve up Bosnia-Herzegovina - thus paving the way for the creation of a Greater Serbia.

The morale of Croatia's national guard is ebbing rap-

idly. The young troops are poorly-armed, badly-trained, and in no position to defend Croat-inhabited villages from heavily-armed Serbs, who have been preparing for this conflict for months.

Thousands of Croat refugees are now leaving their villages, which are then taken over by Serbs. Yesterday, many distraught peasants arrived in Zagreb, the republic's capital, demanding more weapons and revenge against the Serbs.

These developments have created serious political problems for Mr Franjo Tudjman, Croatia's president. His advisers say he is in no position to send more troops to defend the villages, despite his rhetoric.

At the same time, they add, he is under pressure from the far-right wing of the governing Croatian Democratic Union (HDZ) for being too moderate. Even if Mr Tudjman wanted to negotiate with Mr Milosevic, his critics might be tempted to seek his resignation.

For these reasons, Mr Milosevic is prepared to watch as Serb nationalists create havoc in Croatia. He will negotiate once the government there acknowledges defeat.

Some Croats believe the only honourable way out would be intervention by the European Community. But for the moment that is not on the agenda.

As the Croats are gradually worn down, Mr Milosevic has also stepped up the pressure in Bosnia-Herzegovina, whose

population of 4.3m is divided between Moslems (2.2m), Serbs (1.2m) and Croats (760,000). Through his loyal supporter, Mr Radovan Karadzic, head of the Serbian Democratic Party in Bosnia-Herzegovina, he has attempted to sow divisions between Moslems, Serbs, and Croats.

Hardest hit are the fruit and vegetable exporters, who compete fiercely in German markets with Spanish and French producers.

"This year, our summer fruit exports will be at least 40 per cent down, mainly because fewer growers are interested in exporting at such a high cost," says Mr Cosmas Karagjorgjević, president of the Fruit Exporters' Association. "It now costs an exporter D800,000 (£1,670) for one run to Munich with a 20-tonne refrigerator truck."

He said that some truckers were still willing to attempt the drive through Croatia, at the risk of a three- or four-day hold-up if they run into trouble.

"With refrigerated produce that keeps for up to three weeks, you take a calculated risk. If you lose a couple of days on the road, the produce will still sell but the price comes down."

The Croats, Mr Milosevic opened talks with the leaders of the MBO, which is led by Mr Adil Zulfikarpasic and which has only two seats in the republic's 240-strong parliament. "We will not allow Mr Tudjman to split Bosnia-Herzegovina," Mr Zulfikarpasic said yesterday. "So we entered into negotiations with Mr Milosevic. We met him in Belgrade on July 17 and 20. He assured us that he would not break up the republic."

Despite Mr Milosevic's previous poor record of keeping promises, Mr Zulfikarpasic, who less than a month ago was an ardent critic of the Serbian president, added: "I trust Mr Milosevic. Serbs and Moslems must co-operate. Mr Milosevic said he would never allow anything to happen to Bosnia-Herzegovina."

The talks have been condemned by the Party for Democratic Action (SDA), the largest political party, with 86 seats in parliament and which represents the majority of the republic's Moslems. "The MBO has no authority to negotiate with Milosevic," says Mr Ruzmir Mahmutcehajic, who is Bosnia-Herzegovina's deputy

prime minister. "We want a dialogue, but it must include all three ethnic groups. Milosevic and Karadzic's SDS are trying to split the Moslem community, weaken us, and set us against the Croats. We reject the negotiations."

This view is echoed by Mr Ivan Markovic, general secretary of the Croatian Democratic Union in Bosnia-Herzegovina. "The MBO are being used by Milosevic. They want to increase their influence in the republic. They want to weaken the SDA and cause divisions among the Moslems."

Undermining the fragile coalition in Bosnia-Herzegovina is crucial for Mr Milosevic's attempts at isolating Croatia and his goal of attaining a Greater Serbia.

Bosnian officials believe that by trying to woo the Moslems over to the side of the Serbs, Mr Milosevic hopes to carve a corridor in north-western Bosnia-Herzegovina to link the ethnic Serbs in Krajina in southern Croatia with Serbia proper. "Only then will Milosevic's negotiations," said an official. "He will then appear as the great peacemaker."

Austrians see need to step up reform of their economy

By Judy Dempsey

AUSTRIAN economists yesterday welcomed the European Community's positive view of their country's application for membership, but admitted that reform in some sectors of the economy must now be stepped up.

Mr Helmut Krammer, head of the Austrian Institute for Economic Forecasting in Vienna, said two key sectors of the economy - agriculture and services - needed to be brought into line with EC norms.

"The level of our subsidies for agriculture are not significantly above the average of the EC level," Mr Krammer said. "But the problem is that we have to prepare the agricultural lobby politically for a fall in producer prices."

Subsidies to agriculture, which accounts for 4.2 per cent of total gross domestic product, last year exceeded Sch2.8bn (£136m). The sector, which employs 8 per cent of the total labour force, exerts a powerful influence on the conservative Peoples' Party (ÖVP), junior partner in the Socialist-led coalition government.

The government must soon take steps to cut over-production, Mr Krammer added. "We are over-producing by about 30 per cent. The surpluses include wheat, milk and meat. We need

incentives to reduce these volumes, perhaps through some direct income transfers to the farming community."

The professions, like doctors, dentists, solicitors' firms, and pharmacists, were also in need of reform. Organised under the *kammer*, or guild system, they were uncompetitive and anxious to protect their monopolies, he said. "They will have to open the doors to foreign competition," he said. The professions accounted for 8 per cent of Austria's Sch1,900bn GDP last year.

Viennese economists expect Austria will become a net contributor to the EC budget once it gains full membership. Mr Krammer believes the figure could be about \$1bn a year.

Apart from orientating the economy towards EC standards, officials at the Ministry of foreign affairs in Vienna yesterday said they now had to tackle the sensitive political question of Austria's neutrality.

An official said that its neutral status, linked to the withdrawal of Soviet troops from its territory in 1955, must be tackled. "It is a problem. We have to be innovative about defining our neutrality in the context of joining the EC, or the ending of east-west rivalry," he said.



Flying the flag: a Ukrainian woman waits for Bush in Kiev

Glasnost has its limits at site of wartime massacre

PRESIDENT George Bush yesterday paid homage to the victims of Babi Yar, a secluded setting in the Kiev woods where Nazi soldiers massacred more than 100,000 people.

After laying a wreath at the giant iron monument, which depicts men, women and children comforting each other in the moments before death, Mr Bush delivered a brief but moving speech in memory of the victims, most of them Jews.

The massacre at Babi Yar began on September 29, 1941. In the years since it has become a powerful symbol for the Communist regime's failure to confront the past.

To this day, the Ukrainian authorities are reluctant to acknowledge that the majority of victims were Jews and that the local Ukrainian population assisted the Nazis in rounding them up and carrying out the killings.

Mr Bush singled out this failure to confront the past by referring to President Mikhail Gorbachev's own efforts to, in his words, promote truth in history.

The US leader recalled, too, that the Soviet poet Yevgeny Yevtushenko had first dared to restore remembrance of Babi Yar, and he quoted several lines of his poem approvingly. During his speech, Mr Bush recalled the events of the slaughter. "Here on September 29, 1941, soldiers forced men,

women and children to undergo a ritual of humiliation and death. Victims stopped first to empty their pockets and place their valuables in heaps on the ground. They moved forward to another place, where they had to remove their clothing which Nazis folded in neat piles - booty for the Führer."

Mr Bush promised never to forget Babi Yar, as he said. "The Holocaust occurred because good men and women averted their eyes from unprecedented evil."

With his voice breaking, he added: "This memorial proves that eventually the forces for good and truth will rise in triumph."

As he spoke, the audience barely stirred. Several Jewish survivors, some wearing blue skull caps, sat alongside decorated Red Army veterans who, more than 40 years ago, helped them to escape the Nazis.

One survivor was Mr David Eisenberg. He recalled how, aged 15, he was seized by the Nazis and herded with thou-

sands of other Jews along the road to Babi Yar. He was ordered to jump into a pit and soon afterwards the shooting began. He fell to the ground pretending to be dead and lay for three days among the corpses. He recalled how the Nazis sent dogs to milk-out any survivors. "I bit my fingers to stop myself from screaming," he said.

Mr Leonid Kravchuk, the Communist president of the Ukraine, described Babi Yar as a "devil's dance of death, a mantronic orgy."

But although he acknowledged that it was here in the valley of the Dnipro that the extermination of the Jews began in 1941, he never referred to the fact that more than 65,000 of the 100,000 people who died there in the space of 18 months were Jewish.

As one Jewish survivor pointed out, the memorial's inscription still refers only to the victims as "prisoners of war" and "inhabitants of Kiev."

Mr Kravchuk is running for office in open elections in December. A poorly-tanned, reform-minded politician, he could almost be a machine politician from ethnic Chicago or Cleveland.

He managed to quote Thomas Jefferson in his speech. "Only then will glasnost have its limits," he said. "Only then will glasnost have its limits."

Italy set to raise age of retirement

By Heig Simonian in Milan

THE long-awaited reform of Italy's pension system, a vital step in reducing the country's spiralling budget deficit, should receive government approval today, barring last-minute objections from the Socialist party.

Under the proposals, painstakingly negotiated over the past two months, the pensionable age for both sexes will be gradually raised to 65, while pension contributions will be increased. At present, the pen-

sionable age is 60 for men and 55 for women.

The architect of the reforms, Mr Franco Marini, the labour minister, said the moves should help bring Italy closer into line with pension spending in other European Community countries. Italy's sharply declining birth rate and longer life-expectancy meant the system would eventually break down if not reformed, he said. The increase in pensionable age for both sexes should save

the state L18,000bn (\$3.2bn) in current prices by 2010, he added.

It will be many years, however, until the full impact of the changes are felt. The final stage in the increase in pensionable age will only take effect in 2035 for men and 2015 for women.

Mr Marini, former secretary-general of the CISL union federation, who was brought into the government last April, has had to juggle a

variety of conflicting interests to win approval for his pension package.

While some trade unionists have criticised the proposals as too harsh, spending ministers have implied that they do not go far enough. The Socialists say they should be sent back for further study.

Mr Marini said in an interview earlier this week: "It is a feasible and realistic reform, capable of reconciling all the interests involved."

Thin times for airlines in Europe

EUROPEAN airlines yesterday reported their most disappointing passenger figures in nearly a decade, Reuter reports from Brussels.

The 22-member Association of European Airlines (AEA) said the number of passengers carried was down 11.5 per cent in the first six months compared with the first half of last year.

"It is the first time since the last oil crisis in the early 1980s that the AEA airlines experienced such a drop in passenger growth," the Brussels-based organisation said.

It blamed the slow recovery, which also affected air traffic, on a difficult economic climate.

Traffic was volatile on north Atlantic routes, the AEA's main market. A 4 per cent recovery in May was not matched in June, when traffic dropped 5.7 per cent.

Gorbachev wins Lamont's praise

By John Lloyd

MR NORMAN LAMONT, the British ambassador to the Soviet Union, said yesterday that he was "impressed by the extent to which Mr Mikhail Gorbachev is committed to the reform process."

Speaking after a 75-minute meeting with the Soviet president, he said that Mr Gorbachev had told him that the time for action had now arrived, and that he had laid out a privatisation process which would proceed in a number of different ways - in the sale of shares to workers, to individuals and to foreign companies.

The Soviet leader had told him that one way to overcome public hostility to private enterprises was for small businesses - such as shops, hairdressers and taxi businesses - to begin to serve local communities.

Mr Lamont, who represents the G7 group because of Britain's present chairmanship of it, said he was "not necessarily opposed to full member-

ship of the International Monetary Fund" for the Soviet Union.

The Soviet government applied for full membership last month, in spite of being granted a special associate status by the Group of Seven leaders.

The British chancellor said that "the important thing is to get the Soviet Union in contact with the IMF."

There are and have been visits from IMF experts. A lot of advantages can come out of associate membership - whatever that means.

He stressed, however, that the first requirement before assistance could be given was for structural change. "It must be demonstrated that they are not just passing laws but actually implementing them."

Cut-priced dacha sales stopped

By John Lloyd in Moscow

THE SOVIET cabinet yesterday moved to clamp down on a public outcry over the selling of members of the *nomenklatura*, the country's Communist elite, of luxurious state-owned country dachas at knock-down prices.

The state-owned dachas, valued at 550 top-notch dachas and all were originally up for sale. But the cabinet has now suspended all sales, and asked the Justice and Finance ministries to report on the sales so far.

At the same time, it has decreed an investigation into the private sale of dachas by senior officials - another abuse recently the subject of heated debates in the Supreme Soviet and the press.

The selling of the dachas permitted under a decree passed last June by the Soviet cabinet was by Mr Nikolai Ryzhkov, the then prime minister, was presented as ending the subsidising by ministries of their senior officials' leisure.

However, subsequent calculations have shown that the purchase of dachas stood at nearly Rhs3m (£1m) below their actual cost.

Reports to the cabinet of ministers are to be made by the end of August. However, the issue is complicated by the fact that both the officials who are investigating the privatisations, and those to whom they are reporting, are among those who have been beneficiaries of the sales.

The Financial Times (Group) Ltd. Published by The Financial Times (Europe) Ltd., Frankfurt, Germany. Registered office: 1, Abchurch Lane, London EC4N 3DF. Telephone: 020 7556 7000. Telex: 9600 72267. Fax: 020 7556 7001.

The Financial Times (Group) Ltd. Published by The Financial Times (Europe) Ltd., Frankfurt, Germany. Registered office: 1, Abchurch Lane, London EC4N 3DF. Telephone: 020 7556 7000. Telex: 9600 72267. Fax: 020 7556 7001.

The Financial Times (Group) Ltd. Published by The Financial Times (Europe) Ltd., Frankfurt, Germany. Registered office: 1, Abchurch Lane, London EC4N 3DF. Telephone: 020 7556 7000. Telex: 9600 72267. Fax: 020 7556 7001.

The Financial Times (Group) Ltd. Published by The Financial Times (Europe) Ltd., Frankfurt, Germany. Registered office: 1, Abchurch Lane, London EC4N 3DF. Telephone: 020 7556 7000. Telex: 9600 72267. Fax: 020 7556 7001.

The Financial Times (Group) Ltd. Published by The Financial Times (Europe) Ltd., Frankfurt, Germany. Registered office: 1, Abchurch Lane, London EC4N 3DF. Telephone: 020 7556 7000. Telex: 9600 72267. Fax: 020 7556 7001.

The Financial Times (Group) Ltd. Published by The Financial Times (Europe) Ltd., Frankfurt, Germany. Registered office: 1, Abchurch Lane, London EC4N 3DF. Telephone: 020 7556 7000. Telex: 9600 72267. Fax: 020 7556 7001.

Seoul fight to keep ban on imports of

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

Seoul fight to keep ban on imports of... (text continues)

WORLD TRADE NEWS

Seoul fights to keep ban on imports of rice

By William Dulforce in Geneva

SOUTH KOREA cannot open its market to rice imports whatever kind of agreement on the reform of world farm trade may emerge from the Uruguay Round trade talks, a parliamentarian delegation from Seoul has told Mr Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT).

Not even minimum access limiting imports to 2 or 3 per cent of domestic consumption, as proposed for Japan, would be acceptable, Mr Park Jun Byung, leader of the bipartisan delegation, said yesterday.

South Korea was among the first to reject the compromise proposed by Mr Mats Fellegrin, Swedish agriculture minister, at the ministerial meeting in Brussels last December.

Rejection by the European Community and Japan led to the breakdown of the meeting and stalled the international effort to liberalise trade.

Mr Park emphasised that South Korea wanted the Round to succeed and was "willing to do its duty" in all other areas under negotiation, including services trade liberalisation, tariff reductions and removal of other import barriers.

Close to 17 per cent of the population was engaged in farming. Rice was the main



Dunkel: meeting resistance from Seoul delegation

source of income for 83 per cent of farmers, with rice subsidies taking 1.5 per cent of the national budget.

But farmers enjoyed widespread support in the poorer urban areas and it was impossible for South Korean politicians to agree to open up the rice market to imports from the US or any other country.

South Korea resists its hope on securing exemption for rice on a phrase in the community from the leaders of the seven industrialised countries after their London summit last month. An agreement on agriculture should "take into account non-trade concerns," they said.

S Korea port projects to cost \$6.82bn

SOUTH KOREA yesterday announced two port construction projects, estimated to cost \$6.82bn to help meet port facility shortages and keep pace with rapidly growing trade.

One project calls for the building of a port on the Bay of Asan on the west coast, 70 km south of Seoul, capable of handling 22.5m tonnes of cargo annually. Construction will begin in December for completion in 1994.

Officials said the project, including the construction of an industrial estate for machine and metal plants in the vicinity, will be financed with \$1.55bn in government funds and \$1.26bn in private funds.

The other, costing \$3.71bn in government and private funds, calls for building a container port at Kwangyang Bay on the southern coast, 270 km south of Seoul. The port would be built in two stages beginning next year, with the first stage completed in 1996 and the second in the year 2000.

Argentinian clothes makers attack imports

Argentina's clothing manufacturers claim that an "avalanche" of imported second-hand clothes is wrecking their business. They say unscrupulous merchants operating in a bizarre international second-hand clothes market are exploiting Argentina's reduction in import barriers last April to dump used clothes on the local market.

They claim the clothes are sold through street markets and stalls that not only evade taxes, but sell their wares as if they were brand new. Although the clothing industry has demanded government action to block the trade, hard information on imports is hard to come by.

The customs department has no statistics and an official would only say "there are no regulations banning imports of used clothes. All we require is that they are disinfected and clearly labelled as second hand."

However, a government official said "these are winter fashions left over from last season in the northern hemisphere and marketed down here during the southern hemisphere winter."

Brazil rings the changes to telecoms market

Victoria Griffith on future foreign participation in the country's telephone sector

FOREIGN companies are poised for an invasion of Brazil's telephone market, with large chunks of the sector set to be privatised this year.

Telecommunications groups all over the world are eager to get into the Brazilian market, considered the jewel in the crown of the country's public companies.

The market has much potential. Telephone supply in Brazil drags hopelessly behind demand, and there is an estimated backlog of at least 6m telephone lines nationwide. Telephones are treated like "exchanges" trade lines much as they would equities or other investments.

Speculators buy the lines then offer them on the market at a profit. Few consumers are patient enough to spend years on the government waiting list. The only other alternative is to pay exorbitant rates for lines already on the market.

Even when consumers get a line, the telephone service is unreliable. Crossed lines, wrong numbers and cut-off conversations plague the system. "I don't know how many deals I've lost because I couldn't get a dial tone," said a trader at an international bank in São Paulo. According to Telebras, 25 per cent of calls placed in Brazil last year failed to be connected.

Telephone charges are high relative to other countries. An average international call costs

TELEPHONE LINES PER HEAD OF POPULATION	
Sweden	66.03
Canada	51.20
United States	49.33
France	46.23
West Germany	45.69
Australia	42.82
Japan	40.73
Austria	39.52
Belgium	38.88
Hong Kong	37.55
Italy	34.97
Singapore	34.54
Israel	32.68
Spain	28.31
South Korea	24.98
Czechoslovakia	13.60
East Germany	10.57
Soviet Union	9.05
South Africa	8.71
Argentina	8.59
Saudi Arabia	8.34
Poland	7.81
Venezuela	7.77
Colombia	6.72
Brazil	6.28
Chile	4.89
Mexico	4.55
Cuba	3.40
Egypt	2.15
Thailand	1.83
India	0.45
Nigeria	0.20

Source: ITU, OECD

\$2.84 per minute. The state-owned Telebras consistently chalks up substantial profits. Last year's net income for the group was about \$1.6bn, 82 per cent up on the previous year.

"The telephone sector is badly in need of outside investment," said Mr Nelson Siffert, consultant to the Brazilian electronics group Villares.

According to the Brazilian constitution, public utilities cannot be privatised so the government is finding ways of getting around that rule. For example, mobile phones will not be considered part of the regular public phone network. Supply and installation can also be contracted out. Tenders for the country's new mobile phone network should be offered over the next two months. And in some regions,

the government is contracting out the construction of public telephone networks to private groups.

"It's possible that the government may eventually offer management contracts to run the whole phone system," said Mr Frank Lawson, head of a privatisation fund at Midland Bank in Brazil.

Mr Antonio Carlos Rego Gil, president of Sid Informatica, a division of the Machine group, believes the initial investment for systems installation will call for \$5bn to \$6bn over the next few years, and that the sector will yield at least \$20bn in total annual billings by the year 2000.

"What's at stake here is the entire Brazilian telecommunications sector," said Mr Rego Gil.

According to current rules, bidders for the mobile phone networks must have experience in the sector. Foreign participation is near certainty since no domestic company fits that bill. The government has set a 49 per cent ceiling on foreign control of any joint venture in the sector to maintain constitutional legitimacy.

Foreign and domestic groups are already scrambling to pair up for the race. Four main consortia have been formed. The first is led by Globo, the Brazilian television company which controls NEC, Brazil. Favourable to win a large chunk of the market, the Globo consortium also includes Monteiro Aranha, which holds a majority share in Ersson, Brazil's Camargo Correa, a leading Brazilian construction company; and Bradesco, the largest private sector bank in Brazil. The Italian company Siet will probably provide foreign know-how for the consortium.

Another group will be headed by US-based BellSouth, the biggest operator of mobile telephones in the world. The company will be bidding together with the Brazilian financial companies Arbi, Safra, and the radio group RBS. Brazilian-based Machine, the Brazilian electronics group is leading the third consortium, in association with the US-based telephone giant AT&T, and possibly Ameritech.

Telebras together with US-based Motorola and the Brazilian bank Unibanco, will make

up the fourth consortium. Villares is likely to bring in a third partner from the US. French-based Alcatel, Canadian-based Novatel and Northern Telecom, and UK-based Cable and Wireless are also said to be in the running.

Competition for mobile telephone contracts will be fierce. "In Brazil, mobile telephones may to some extent take the place of regular telephones," said Mr Siffert of Villares.

Rio de Janeiro last year installed a mobile telephone network with capacity of 10,000 subscribers. The system, currently run by the state, will be auctioned off to the private sector later this year.

The contract for the installation of the Rio system was awarded to NEC. NEC invested \$64m in the network, which was built entirely of imported materials.

Just 50 mobile telephones have been sold so far, but demand is expected to mushroom. Prices for a mobile phone line have already come down to \$3,500 from \$5,000. Mobile telephone networks will be auctioned off in six other metropolitan areas: São Paulo, Porto Alegre, Belo Horizonte, Curitiba and Salvador.

The privatisation of the Brazilian telephone system has run into popular opposition but Brazil is in such need of outside investment and technology that even the most virulent opposition is unlikely to keep foreign companies out.

Hawke criticises US wheat sale to China

By Emilia Tagaza in Canberra

MR BOB HAWKE, the Australian Prime Minister, yesterday criticised the US sale of 1m tonnes of subsidised wheat to China, one of Australia's biggest wheat customers.

He said the US action was not conducive to improving bilateral relations because Australian farmers were being hurt. This is the second time the US has breached what Australia regards as an understanding given recently not to target Australian markets with subsidised grain.

In June, Australia complained about the sale of 100,000 tonnes of subsidised wheat to Kuwait.

Following representations from the Australian government, US President George Bush said Mr Hawke that "all possible care would be taken to avoid disruption" of Australia's traditional markets for unsubsidised wheat.

The issue is likely to be top of the agenda in agricultural trade talks between Australia and the US in Washington on August 12. Mr Neal Elwood, trade minister, said non-subsidising nations such as Australia could not afford to bear indirect costs of the subsidy war which had driven world wheat prices to an all-time low.

Mexico and Chile to sign free trade agreement next month

By Damian Fraser in Mexico City

MEXICO and Chile are to sign a free trade agreement (FTA) in September according to a report in the Mexican government-owned newspaper EL Nacional.

The agreement, which will be the first Mexico has signed with a Latin American country, will initially fix a common tariff of 7 to 8 per cent between the two countries. The agreement will exclude Mexican oil, and Chilean sugar, cooking oil, wheat and flour.

For most products tariffs will be scrapped altogether within four years. In a few cases, not yet specified, tariffs

will be removed after 10 years.

Mexico is currently negotiating FTAs with the five Central American republics and Venezuela and Colombia.

It hopes to have signed an FTA with the US by the middle of next year.

Continuing its deterioration over the year, Mexico's trade deficit widened to \$3.2bn in the first five months of 1991, excluding revenues from maquiladoras in bond processing plants, the deficit reached \$1.5bn. The latest figures, released by the Bank of Mexico, compare with a deficit, excluding

maquiladoras, of \$470m in the same period last year. The growing deficit mainly reflects increased imports (up 42 per cent), largely thanks to a surge in private-sector investment. Exports, compared with the first five months of 1990, rose by 15.9 per cent.

The export performance is less reassuring compared with the last five months of 1990. Total exports are down by 15 per cent, mainly because of a fall in oil prices; manufacturing exports, hurt by the US recession, have fallen by 2.7 per cent.

Australian high-tech park project launched

By Emilia Tagaza in Canberra

THE Australian government has launched an ambitious high technology park project to attract foreign investment.

Dubbed the multi-function polis (MFP), the project has been allocated \$12m for start-up and promotional activities. The government aims to attract three core industries to the enclave, information technology, telecommunications, and environmental management.

A feasibility study found that about \$350m would be required to develop the project in Adelaide, South Australia. Its close identification with

the Japanese has caused controversy since it was first mooted in 1987.

It was originally raised by the Japanese as a city of the 21st century, incorporating features of high technology living. There had been strong opposition among local businessmen and ordinary Australians who feared the project would have become a "Japanese enclave."

The project was originally proposed to be sited in Queensland but vehement opposition because of the Japanese connection forced the move to South Australia.

Guatemala declares cholera emergency

By Tim Coone in Guatemala City

A NATIONAL emergency was declared in Guatemala yesterday after the outbreak of cholera a week ago.

The infectious disease has spread up the Latin American continent from Peru since the beginning of the year, reaching as far as Mexico and the US. Until last week however, it had bypassed Central America, which is considered to be particularly vulnerable because of poverty, malnutrition and poor sanitary conditions.

Contaminated irrigation water in the border region with Mexico is thought to be the cause of the outbreak in Guatemala and the population is being advised not to eat raw vegetables or shellfish.

The Guatemalan authorities are especially concerned about the effect the disease could have on the country's \$200m-a-year tourist industry.

The emergency measures allow the government to concentrate the population in infected areas of the country and to introduce price controls on medicines and sanitary products to prevent speculation and hoarding.

Regional health authorities have estimated that more than half a million of Central America's 28m population could fall ill to the disease if control measures are not taken. The disease produces severe vomiting and diarrhoea leading to dehydration and often death.

Workers at cutting edge of Caribbean row

The Dominican Republic has deported thousands of Haitians, writes Canute James

THE Dominican Republic is deporting thousands of workers back to neighbouring Haiti in an angry reaction to allegations of child labour and human rights abuses among the immigrant workforce.

The action has damaged already poor relations between the two countries, which share the island of Hispaniola, and has embarrassed their Caribbean neighbours whose mediation efforts have failed.

Mr Joaquin Ricardo, Dominican foreign minister, said there were 1.2m Haitians residing illegally in his country. They had been tolerated because of the political and economic turmoil in Haiti, now that there was calm in their country, the Dominican Republic was exercising its right to repatriate them.

An elected civilian government took office in Haiti in February after 33 years of dictatorship. The Haitian government, however, is worried that an influx of its citizens from the Dominican Republic will damage what is already the weakest economy in the region.

The Dominican action follows criticism from human rights groups over the manner in which Haitian migrants are treated, particularly on state-owned sugar plantations. The workers suffer unduly long working hours, low pay and poor facilities, the organisations say. They report widespread child labour on the farms.

The criticism was supported by a report on US television showing Haitian children cutting cane on a state-owned farm.



Haitian workers suffer long hours and low pay, human rights groups claim

Dominican officials have denied charges made by deported Haitians that they are robbed of belongings when being sent across the border.

Haitian cane cutters are needed in the Dominican Republic as Dominicans will not do the work. Although they have been cutting cane for more than 50 years, immigrants have never had an easy time of it. In 1937, President Rafael Trujillo ordered the massacre of thousands of Haitian workers.

However, with unemployment in Haiti at 60 per cent, there are many eager to cross the border for employment. In announcing the deportations, President Joaquin Balaguer of the Dominican Republic said the first workers to be sent home were those below the age of 16 and older than 60.

"It is clear why these groups are being chosen," said one Barbadian diplomat at last month's Caribbean Community summit. "In sending back the children they have admitted there is child labour. With these age groups they are getting rid of those who are not yet, or no longer, useful."

The timing of the deportations is unlikely to have an immediate effect on the sugar industry as reaping has ended for the year.

The dispute between the two countries was worsened by the Dominican Republic's refusal to countenance a visit by Mrs Marie-Denise Fabien Jean-Louis, Haiti's foreign minister. Both countries are observers to the Caribbean Community and encouraged by the community

governments, Mr Ricardo and Mrs Jean-Louis met in St Kitts in sessions chaired by some Community foreign ministers.

The meetings were inconclusive, and the Dominicans said the deportations would continue. Several senior officials of Community governments concluded privately that the Dominican action had been fuelled by other factors, such as what one called "an unfortunately Dominican view of Haitians."

President Balaguer said the move was a "matter of survival for the Dominican Republic if it did not want to 'lose its national identity'."

The impasse over deportations will annoy the US government, which concluded recently there were no grounds for implementing trade sanctions against the Dominican Republic over the treatment of Haitian migrant workers. The calls for sanctions, including the removal of preferential treatment granted under the Generalised System of Preferences and the Caribbean Basin Initiative, followed the human rights organisations' claims over working conditions.

A US government report said there had been improvements in workers' rights and conditions for Haitian workers.

Yet there are few who will be convinced by Mr Ricardo's explanation of the criticism. "It is all a matter of jealousy," he concluded. "All these attacks on the Dominican Republic are the result of jealousy over the success we have had with our free-trade zones and our tourist industry."

US Senate gives backing to new intelligence bill

By Robert Gibbens in Montreal

THE US Senate has passed and sent to President George Bush a bill setting new requirements on what presidents must tell Congress about secret intelligence operations.

The bill, designed to prevent abuses such as those in the Iran-Contra scandal, was worked out with administration officials and replaces one Mr Bush vetoed last year.

The Senate approved it on Wednesday night, while the House of Representatives backed it earlier this week.

It requires presidents to tell Congress of covert intelligence operations by any government entity, including White House aides, not just by the CIA. It would also require presidents to tell Congress if any other countries were involved in the operation and would prohibit presidents from approving any such operations retroactively.

Former president Ronald Reagan did not tell Congress for months that he had approved secret US arms sales to Iran, in an effort to win release of US hostages in Lebanon.



George Bush

non. The sales turned into a scandal when former White House aide Oliver North diverted profits from the arms sales to buy weapons for US-supported Nicaraguan Contra rebels, in violation of a congressional ban.

Other countries were involved in the US arms sales to Iran and Washington officials urged several countries to aid the Contra rebels.

Quebec police arrest 25 after record hashish find

By Robert Gibbens in Montreal

QUEBEC police say 25 people, including 10 from Vermont, have been arrested after the chance discovery of 47 tonnes of hashish in 240 steel barrels floating in the St Lawrence river, about 700 miles north-east of Montreal.

The find, the largest ever made in Canada, has an estimated street value of \$700m (\$416.6m). The hashish was destined for the US in a smuggling plot starting in Singapore, police said.

The plan failed because the shipment proved too unwieldy to put ashore.

Those arrested included 15 from an ocean-going tug seized in Montreal. Two more Vermont residents are being sought, as well as a possible Canadian connection.

Two more barrels remain in the water, unaccounted for.

The plot began last February when a tug sailed from Singapore, police said. It moved to Lisbon and then back to the Indian Ocean where it took on the drugs from a Pakistani freighter.

Then the tug went to the Netherlands and picked up inflatable boats equipped with powerful outboard motors. The barrels containing the hashish were tied together in booms, near Anticosti Island, in the Gulf of St Lawrence, and transferred to the inflatable boats during darkness.

Police were tipped off by a pleasure-boat operator who saw one of the booms and suspected a drowning. The tug was seized later and two men from the Netherlands held. All those arrested have been charged with drug smuggling.

Bad weather delays launch of space shuttle

THE US space agency yesterday postponed the launch of the shuttle Atlantis for at least a day because of bad weather that moved in while engineers were resolving a cockpit pressure problem.

Reuter reports from Cape Canaveral that the shuttle was to have taken off just after 11 in the morning. Launch director Robert Slick at the Kennedy Space Centre said it would be rescheduled for about the same time today.



Solchaga: nominated by EC finance ministers

IMF role for Solchaga

MR Carlos Solchaga, the long-serving Spanish finance minister, is to become chairman of the policymaking interim committee of the International Monetary Fund, writes Peter Riddell.

He will take over from Mr Michael Wilson, the former Canadian finance minister, who resigned as chairman in April.

Mr Solchaga was nominated by EC finance ministers who traditionally pick the chairman of the interim committee.

Cracks delay submarine project

SERIOUS welding cracks have been found in the US Navy's first billion-dollar Seawolf attack submarine, probably delaying the project for at least a year, the Pentagon said yesterday.

Reuter reports from Washington that Mr Pete Williams, for the US Defence Department, said the recently discovered cracks in the submarine, under construction by General Dynamics, would be fixed.

But he added that the defects could mean at least a one-year delay in the planned 1995 delivery date of the submarine to the navy.

The contract for the first Seawolf, designed to dive deeper and run more quietly than older Los Angeles Class attack submarines, was awarded to General Dynamics in January 1989 and work began in October of that year.

Mr Williams said the submarine was about 15 per cent complete.

The announcement came a day after a judge threw out the navy's award in May this year of a contract for a

second Seawolf to General Dynamics.

Responding to an appeal from General Dynamics' rival, Teneco, the judge ordered the navy to seek fresh bids on the second submarine.

Mr Dick Cheney, defence secretary, told reporters in an interview early yesterday that the government had not yet decided whether to appeal against the court order. General Dynamics said on Wednesday that it was also considering appealing against the ruling.

BT is bringing prices down.

Over the past year, retail prices have gone up by 5.8%. So you might expect BT prices to go up by much the same. Not so.

BT is committed to keeping its main price changes overall to 6.25% below the level of inflation. Which, in this year's case, means BT's main prices actually go down overall.

But we are doing more than that. For the first time, we're introducing flexible pricing packages designed to meet the differing needs of customers. There will be volume discounts for those who use the phone a lot. And, at the other end of the scale, there will be a special reduced price scheme aimed at those who need a phone, but don't use it much.

These are the changes, which come into effect from the beginning of September.

Price of international calls cut to 199 countries.

In April, BT reduced the cost of calls within the UK by an overall 6%. Now it's the turn of international calls to be cut by almost 10% overall.

The most popular long-distance routes are being cut the most. Calls to Australia and New Zealand by at least 17%, and to the USA and Canada by at least 14%. (A cheap rate call to Canada, including VAT, will come down to just £2.57 for five minutes.)

Calls to Japan and most countries within Europe are being cut by over 6%.

In all, prices will be cut on 199 out of the total of 201 routes, with the lowest decreases being 4%.

Discounts for high users.

From September 2nd anyone who spends over £117.50 a quarter, including VAT, on dialled calls will start receiving an automatic volume discount. The discounts are on a stepped scale – the more you use the phone, the sooner you get to the next step and the less you pay for additional calls. For personal customers, the discount could be up to

8% and for business customers up to 9%.

In addition, we will be introducing Customer Options for high users to give them even better value for money.

The Options offer a reduction in call charges of between 8% and 13.3% in return for a quarterly charge. We will be contacting customers directly with fuller details.

Half price rentals for people who need a phone, but don't use it much.

We know that more than a million of our customers need a phone to keep in touch with the outside world, but don't use it very often.

These are people who regularly spend less than £27.50 a quarter, including VAT, on their phone bill.

We are offering to cut their line rental by half. And, in addition, to give them the first 30 units of phonecalls they make each quarter free of charge – enough to make almost 2 hours worth of cheap rate phone calls.

After that, the next 120 units will be charged at a rate of 18.7 pence each. (We're doing this to ensure that the benefits of the service go only to genuine low users.) After the 120 higher-rate units, subsequent units will be charged at the standard rate of 4.94p (all prices include VAT).

To illustrate the benefits: for someone using only 60 units per quarter, their quarterly bill will be cut by around £3.50 compared to the Low User Rental Rebate Scheme.

We are calling this service 'Supportline', and will be contacting all our customers who may benefit from it. (In the meantime, the current Low User Rental Rebate Scheme will continue.)

Obviously, because the Supportline service is aimed at those in need, it does not cover usages such as second lines, business lines, and dedicated lines that monitor alarm systems.

UK call charges either frozen or up by less than inflation.

The price of local calls and national cheap rate calls is going up by slightly under 5% – which is less than the rate of inflation.

The price of daytime national calls will not be changing. And the price of our most popular call – a three minute local cheap rate call – will remain at 4.94p (including VAT). This is the same price in pence as in 1981. Allowing for inflation since then, the cost of a three minute local cheap rate call has fallen by almost half.

Line rentals increased to reflect more accurately the true cost of the service.

We're increasing the price of installing a new line and the quarterly line rental charge by 2% more than inflation. Even so the cost to BT of providing each line far exceeds what we are charging. Line rental charges include a continuous line checking system (we rectify most faults before users have even become aware of them), and free repairs – including call-outs.

Your BT line keeps you in touch with the world (with connections to over 700 million phones), and provides 24 hour access to the 999 emergency service.

Overall prices that keep coming down.

Even though the rental charge is going up, main prices overall will be going down.

Nor is this anything new. Including these latest price changes, our main overall prices have fallen by 30% compared to inflation since 1984.

Which is just as it should be.

After all, since you're more than just a number, it's the numbers on your bill that should be less.

More details of our new prices will follow in a booklet accompanying your quarterly account. If you'd like to receive more information now and/or register for early notice of future price changes, phone our Pricing Information Service on 0800 800 891. Free of charge, naturally.



You're more than just a number.

CALL FREE 0800 800 891 ANYTIME

THE BCCI SHUTDOWN

CIA alleged to have had evidence in 1986

By Alan Friedman in Washington

SEVERAL US government agencies had evidence of the illegal activities of the Bank of Credit and Commerce International (BCCI) as early as 1986, according to documents and testimony given yesterday to a Senate subcommittee investigating the banking scandal.

Senator John Kerry, the Massachusetts Democrat whose Senate foreign relations subcommittee held the hearing, disclosed portions of a memorandum detailing BCCI criminal activities and its secret ownership of First American Bankshares, the Washington bank headed by Mr. Clark Clifford, the former US defence secretary.

The memo, dated September 30 1986, was prepared by the Central Intelligence Agency and was sent to federal law enforcement agencies, as well as the Treasury, according to Mr. Kerry.

"In 1986, the CIA knew that BCCI was a criminal enterprise, and owned the First American Bank, and told a number of other government

agencies. There is no evidence on record that any of these agencies told the Federal Reserve what they knew, nor is there any evidence of federal law enforcement taking any action," Mr. Kerry said.

Mr. William von Rabb, the former US commissioner of Customs, told the hearing he obtained a copy of the memo from the CIA in 1988, after seeking information on the bank from Mr. Robert Gates, then CIA deputy director. Mr. von Rabb said that Mr. Gates did not mention to him anything about the CIA's own relationship with BCCI.

The CIA has said it is investigating any past contact it may have had with BCCI.

The former Customs chief said the Treasury did not pass the memo to him in 1986. He accused the Treasury - which was then headed by James Baker - of being "lackadaisical and worked over" by "some of Washington's most blue-chip influence peddlars."

Mr. von Rabb also said the Department of Justice had

been "pounded" by the BCCI lobbyists.

He criticised a January 1990 plea agreement concerning BCCI's drug-money laundering activities in Florida, which he called "a shameful agreement" that caused US prosecutors in Florida to have their "arms tied" as regards any further prosecution.

Mr. Jack Blum, a former State Department investigator on the BCCI case, said he was personally infuriated by the plea agreement because "I had gone to considerable lengths in 1989 to put serious evidence before the Justice Department regarding the widespread money laundering and secret ownership by BCCI of three US banks."

This evidence included tape recordings of a senior BCCI executive who "laid out the entire story including BCCI's ownership of First American, the lack of capital, the loan and stock transactions and stealing by insiders," as well as details of the use of BCCI by Mr. Manuel Noriega, the former leader of Panama.

Mr. Blum disclosed that when no action was taken by the Justice Department he took the evidence to Mr. Robert Morgenthau, the Manhattan district attorney, who on Monday brought criminal indictments against the bank and its founder "on the basis of the same evidence."

A BCCI inspection report by the Federal Reserve Bank of New York and New York state bank supervisors in autumn 1988 stated that BCCI's New York branch was "found to be deficient in all respects concerning compliance with the requirements of the financial record-keeping and reporting regulations."

The joint examination said BCCI's New York operations "exhibit a combination of financial, operational or compliance weaknesses ranging from moderately severe to unsatisfactory." The report said there was no system of internal controls or guidelines regarding treatment of and reporting requirements for "multiple, suspicious or struc-

tured transactions" from October 1988.

According to documents obtained by the Financial Times, the New York examination said: "It is likely that several deposit accounts are being used to launder cash by means of frequent small, non-reportable currency deposits and by the deposit of money orders purchased at various New York City financial institutions."

Mr. von Rabb said he had been "cut out of the BCCI investigation" by the Treasury Department several months before he left the government in July 1989. "I was annoyed about the Florida case, annoyed that there were not more significant indictments of more senior BCCI officials and more serious charges against the bank."

The Florida case resulted in a \$15m fine and the conviction of five low-level BCCI Florida officials. Mr. von Rabb said more was not done "because Justice didn't feel our evidence was sufficient."

Mr. Blum revealed that as early as 1988 he met Mr. Amjad Awan, the BCCI branch manager in Miami who served as Mr. Noriega's banker. He said that when the Senate investigation issued a subpoena for Mr. Awan's testimony, a 30-day delay was requested by Mr. Clifford and Mr. Robert Altman, acting not in their roles as chairman and president of First American, but as lawyers for BCCI.

Mr. Blum also told the committee that he learned that Mr. Altman had allegedly told Mr. Awan to leave the US in order to avoid the subpoena. "He was being advised to leave the country, go to Paris and stay out of reach by his attorney, Mr. Robert Altman," Mr. Altman has denied this.

Mr. Clifford and Mr. Altman, who are being investigated by Mr. Morgenthau's office, have repeatedly denied any wrongdoing and have claimed they never knew that First American Bankshares was secretly owned by BCCI.

ABU DHABI GOVERNMENT

Compensation plan may be extended

By Andrew Jack

THERE WERE hints yesterday that the voluntary compensation scheme offered by the Abu Dhabi government might be extended beyond BCCI depositors in the UK, as a row developed over those not covered by the offer.

Individuals with deposits not held in sterling, and those with BCCI accounts outside the UK, were growing increasingly disgruntled as it became apparent that they would not be covered.

However, sources close to the government said that the offer might be widened.

After some consideration of the extent of the jurisdiction of a ruling by the High Court, the government is now considering whether to extend the offer to compensation. "It's too early to call on him to do too much," he said.

Mr. Keith Vaz, Labour MP for Leicester East and the co-ordinator of the all-party BCCI group, said that Sheikh Zayed, the ruler of Abu Dhabi, should be asked to extend his offer of compensation. "It's too early to call on him to do too much," he said.

Mr. Vaz said that the offer of compensation should be extended to include those with deposits in sterling, and those with BCCI accounts outside the UK, who were growing increasingly disgruntled as it became apparent that they would not be covered.

However, sources close to the government said that the offer might be widened.

After some consideration of the extent of the jurisdiction of a ruling by the High Court, the government is now considering whether to extend the offer to compensation. "It's too early to call on him to do too much," he said.

CAYMAN ISLANDS

Employees fear lost benefits

By Alan Friedman in Washington

BCCI'S STAFF in the Cayman Islands are angry at receiving termination notices from the provisional liquidator without any assurance that accrued benefits will be paid, Bernard Simon, in Grand Cayman, writes.

Mr. Bob Axford, joint liquidator and acting chief executive of the Cayman operation, on Wednesday gave the 70 staff in the Caribbean tax haven up to one month's notice.

A few have been told that they may be re-employed, although under different arrangements.

Both the liquidator, Deloitte Ross Tohmatsu, and the employees are taking legal advice on the reimbursement of provident fund contributions, holiday pay and, in the case of expatriates, return passages and removal costs to Pakistan and other countries.

The employees also say that BCCI owes them money. Some amounts deducted from their salaries in lieu of tax, which is non-existent in the Caymans. These deductions were stopped last year.

Deloitte Ross Tohmatsu has assigned about 20 staff, several of them brought in from Canada, to oversee the winding-up of the Cayman-based BCCI (Overseas) and its various affiliates.

The Cayman operation controlled offices in 29 other countries and is suspected of being at the centre of much of BCCI's fraudulent activity. Attention is focused on International Credit and Investment Co (Overseas) (ICIC), which US authorities have named as being instrumental in the clandestine takeover of various US banks.

Mr. Waseer Jaffri, ICIC's general manager, flew to Pakistan to attend a family wedding shortly before the bank was seized on July 5. He has yet to return to the islands.

Mr. Bande Hassan, his counterpart at BCCI (Overseas), was still in his office in George Town, the Cayman capital, this week assisting the liquidator.

The 22 expatriate employees and their families, mostly Pakistanis, face an uncertain future. The bank has up to now paid their rent. Furthermore, their Cayman work permits will be void once they stop working for BCCI.

Faced with an early cut-off of their salaries and the possibility of not having removal costs paid, several families have put household appliances and other belongings up for sale.

Business dreams that turned into nightmares

Chris Tighe on the difficulties facing two clothing companies

FROM a stall in Leeds market to a prominent white building emblazoned with their name, the Kotia family has worked relentlessly for 60 years to build up their wholesale clothing business.

Inside Kotia House, the racks are packed with colourful summer clothes, but upstairs in his office director Mr. Abdul Latif Kotia is close to despair.

Most businesses in this inner city corner of Leeds, the heart of the Yorkshire region's wholesale clothing industry, backed with BCCI.

But the Kotias are among the worst affected because their stock was all imported, rendering their entire business dependent on BCCI letters of credit.

From the Far East, manufacturers are ringing Mr. Kotia, pleading for orders, but without letters of credit none will accept the contracts he should be placing now for future seasons' clothing.

Suppliers are phoning, too, asking for money he owes but cannot pay. All his business and personal banking was conducted through BCCI, so his finances are paralysed.

His attempts to find another bank willing to take him as a proving hopeless: he has no security he can offer against a loan, since Kotia House and his home, and the homes of his two brothers, who also work in the business, had already been accepted by BCCI as security.

against an overdraft and letter of credit facilities.

"I went to one bank and they said 'What security can you give us?'" says Mr. Kotia. "I said, 'My shirt. The rest all has with BCCI.' They said, 'Sorry, we can't help you.'"

Downstairs, some of his 10 employees are selling summer goods to a trickle of customers, but he says dejectedly, it is not enough.

Mr. Kotia came to Leeds from Pakistan in 1968 to learn English.

"Then I worked day and night in the market to make money to help my father build up this business. This was my castle."

He fetches framed photographs of his father welcoming students Pakistani dignitaries - and a NatWest manager - to the opening of Kotia House in the early 1970s.

"It's like it was a dream. I had a business; it's gone. Gone with the wind."

The family company, N.M. Kotia Ltd, and Roseville Trading Company Ltd, switched to BCCI when it opened a Leeds branch.

"The manager came to my father, said he was the oldest Asian business in the city, said if you please, open an account with us. We can have other accounts from other Asian businesses. So my father opened an account with BCCI."

Turnover last year was around £1m, and at the time of BCCI's closure, the Kotias had an overdraft of about £300,000.



Abdul Kotia: "I worked day and night in the market to make money to help my father build up this business"

The blow of the closure is all the greater because it follows the opening of Kotia House in the early 1970s.

"It's like it was a dream. I had a business; it's gone. Gone with the wind."

The family company, N.M. Kotia Ltd, and Roseville Trading Company Ltd, switched to BCCI when it opened a Leeds branch.

"The manager came to my father, said he was the oldest Asian business in the city, said if you please, open an account with us. We can have other accounts from other Asian businesses. So my father opened an account with BCCI."

Turnover last year was around £1m, and at the time of BCCI's closure, the Kotias had an overdraft of about £300,000.

even had ambitious plans to attack the German market.

Now, their business account with BCCI frozen, they are surviving hand-to-mouth, and have just issued redundancy notices to six of their 10 staff.

More of their loyal, hard-working employees are to lose their jobs and some of the brothers' retail shops in the Yorkshire area and the Midlands will have to close.

"It shattered my confidence," said Mr. Sarwar. "We will probably have to cut the operation right down. This is all so unnecessary."

All the profits had been ploughed back into the business. "That's the way to succeed in business. At least, that's what I thought."

The clothes sold by MS Fashion through its shops and its Leeds wholesale headquarters were made for the company by manufacturers in Manchester, Leicester and London.

Mr. Sarwar estimates up to 1,000 people depended indirectly on contracts he placed. Suppliers, he said, have rung him, offering their support, "but they have their own problems."

The company, which had more than £200,000 in BCCI when it closed, had a five-figure overdraft facility, for which the bank retained the deeds of the company's Leeds freehold building and 10 leasehold shops as security.

Mr. Sarwar is convinced BCCI was closed for political reasons, not fraud. There was no counterfeit money at his tight-

ly-run branch, he insists.

The closure was a shock. It even crossed his mind to give up, but, having fought the recession and high interest rates, he has resolved to do battle again.

And he has found an ally - a Yorkshire bank manager who carried on calling in at MS Fashions for a coffee and a chat, even after the company switched its account from him 17 years ago to BCCI.

The manager is now in Harrogate, so MS Fashions has opened an account with him there. And he has offered to discuss credit facilities.

"I think he is quite happy," said Mr. Sarwar. "And we were happy that somebody approached us and was happy to accommodate us."

Lord Justice Bingham stressed that the inquiry would not deal with the deposit protection scheme or other matters relating to the recovery of deposits.

In addition to submissions from the public, the inquiry will seek written evidence and documents from the Bank of England and the Treasury. It will then start to hear oral testimony - which will not be under oath - in six to eight weeks.

The proceedings will take place in private and are expected to last several months. The findings will be made public, except for anything which would prejudice criminal proceedings or contravene the Banking Act.

Lord Justice Bingham, 57, was appointed a judge of the High Court in 1980. He has an inquiry into companies breaking sanctions in Rhodesia in 1977, and was one of the "three wise men" reviewing the deportation of Arabs during the Gulf war.

Submissions should be sent to: BCCI Supervision Inquiry, Queen Anne's Chambers, 100 Broad Street, London SW1E 5JL.

ABU DHABI

Liquidation likely to proceed, says top banking source

By Richard Tomkins in Abu Dhabi

BCCI BANKING operations in the United Arab Emirates - one of the largest operations in the group's global network - are set to be liquidated, a senior banking source in Abu Dhabi said yesterday.

The go-ahead is likely to be given as soon as Touche Ross, the accountants acting as local liquidators, receive the necessary court order. Liquidation is expected even though Abu Dhabi contains BCCI's operational headquarters and is home to the bank's principal shareholders - Sheikh Zayed bin Sultan al-Nahyan, the ruler of the country, his family and associates.

The Abu Dhabi position contrasts with that in the UK

where Sheikh Zayed's representatives this week won time from the High Court to attempt a possible reconstruction of BCCI's banking operations.

An authoritative source who spoke to the Financial Times on condition that he was not named said there was little to be salvaged from BCCI's eight-branch network in the United Arab Emirates (UAE) because its liabilities far exceeded its assets. He said that any surplus liquidity in the bank had traditionally been placed offshore with other parts of the failed BCCI empire because it earned higher rates of interest with them.

The bank also had little in the form of tangible assets

because, under local regulations for foreign-bank branches, its buildings were rented. Liabilities to depositors in the UAE are estimated at about \$2bn (£1.1bn), with \$1.4bn attributable to the government, its agencies and state-owned corporations, and the rest to 35,000 private depositors.

Those liabilities will in effect be taken on by the government. It will write off its own deposits and compensate other depositors from within its own resources. In parallel with this move, the government is about to announce the rebirth of Bank of Credit and Commerce (Emirates), a BCCI affiliate with 17 branches still open in

the UAE, under the new name of Emirates Union Bank.

The BCC(E) branches were once part of BCCI, but were incorporated into a separate entity after the UAE government decreed in 1981 that foreign banks must reduce their operations to eight branches apiece. (BCCI was not then based in the UAE.)

BCC(E) is now 80 per cent owned by UAE interests, mainly governmental, and 40 per cent by BCCI. Its management wants to buy out BCCI's 40 per cent stake in order to terminate its association with the failed bank. BCC(E) is also close to agreeing a takeover of the three BCCI branches still operating in Pakistan.

Although small in number, these branches collectively represent the biggest foreign banking operation in Pakistan in terms of the amount of business. However, the senior banking source said BCC(E) would not go on to form the nucleus of any reconstruction.

The Pakistan acquisition was the limit of its plans, he said. Its capital base was not sufficient to permit any further acquisitions in the short term. Western bankers in Abu Dhabi said the decision to close BCCI's eight branches amounted to a sensible rationalisation of an over-banked community.

There are 21 locally-owned banks and 31 overseas banks in

the UAE, together operating 300 branches, for a population of 1.4m. Former customers of BCCI are likely to have their accounts transferred either to BCC(E), in which the government has sizeable interests, or to one of the two state-controlled banks - the National Bank of Abu Dhabi and the Abu Dhabi Commercial Bank.

Western bankers said the apparent inconsistency between the decision to close BCCI in the UAE and to light for its survival in the UK was explained by the fact that, apart from two branches of the National Bank of Abu Dhabi in London, BCCI represented the UAE's entire banking representation in the UK.

WORLD ROUND-UP

Zimbabwe and Zambia railways said to face big deposit losses

THE NATIONAL railways of Zimbabwe and Zambia stand to lose about \$230m (£57.8m) frozen at BCCI, the Herald Daily newspaper said.

The newspaper said that BCCI held the cash deposits of Rhodesia Railways (RR) Ltd, a British-registered company formed in colonial days and now owned by Zimbabwe and Zambia.

Rhodesia Railways owns both countries' railway assets. Its deposits are held in six BCCI accounts in London. The company transferred its money to BCCI in 1985 because the bank was offering high interest rates, the Herald Daily said.

The failure of BCCI is being portrayed widely in Africa as a western plot against the Third World. Governments in four of the 21 African countries where BCCI operated have kept subsidiaries open, and some have

no plans to investigate charges that include drug money-laundering and channelling funds for terrorist activities.

Closure of most of the bank's worldwide operations is part of "a fierce campaign gaining momentum these days and aiming to besiege elements of Islamic potential," said Mr. Hassan Turabi, a former cabinet minister and secretary-general of the newly formed Arab and Islamic People's Conference.

BCCI remains open in Zimbabwe, where the government has a controlling stake of 53 per cent. It also has remain open in Ghana, Swaziland and Zambia, where the governments have minority shares.

Not all depositors are reassured, however. The local council in Zimbabwe's second-largest city, Bulawayo, withdrew its millions of dollars in

deposits in spite of appeals by the government.

There are also no plans for an investigation in Nigeria, believed to be one of the world's drug-trafficking centres. BCCI Nigeria changed its name on July 12 to the African Bank International and announced that the central bank was organising for Nigerians to buy out the 40 per cent of Arab shares.

The US magazine Time reported that Nigeria received \$1bn in loans from BCCI London following violent anti-government protests in 1989.

PERU: Mr. Jorge Chavez, president of Peru's central reserve bank, said documents relating to deposits in BCCI during former President Alan Garcia's term in office will be made available to Peruvian investigators.

Peru's attorney-general said

on Tuesday he had opened an investigation into central bank deposits of up to \$270m in BCCI in 1986 and 1987.

Mr. Lionel Figueroa and Mr. Hector Neyra, the central bank's former president and general manager, respectively, were accused on Monday by Mr. Robert Morgenthau, New York district attorney, of receiving \$3m in bribes for BCCI deposits. They have denied the charges.

SRI LANKA: The country's central bank said yesterday that BCCI's Colombo branch would not be affected by overseas developments.

Mr. Neville Karunatilake, central bank governor, said: "We will not be guided by what happens abroad. The bank will continue to operate irrespective of what happens overseas."

The Colombo branch reopened on Monday under the management of Sri Lanka's privately owned Seylan Bank.

SOUTH KOREA: The Office of Bank Supervision and Examination (OBSE), the country's banking watchdog, yesterday revoked the licence of the Seoul branch of BCCI.

That is the first step in the liquidation of the branch which has been operating since 1977 and which had its assets frozen on July 6. The liquidation process is expected to take up to six months.

Officials at the OBSE said there would be no problem in protecting depositors.

But exporters who used letters of credit from the Abu Dhabi-based bank are expected to suffer losses.

The Ministry of Trade and Industry in Seoul has estimated that the general

trading companies, which account for most of the country's imports and exports, will lose a combined total of \$22.8m (£13.5m).

The OBSE said that it will shortly file for liquidation of BCCI's Seoul branch with the High Court.

HONG KONG: Depositors with the Hong Kong subsidiary of BCCI said they had formed a company to seek a buyer to save the local bank from liquidation.

Members of the BCC Hong Kong depositors' committee said they had formed a limited company with the aim of speeding up the process of finding a buyer for BCCHK. Parties had shown interest in buying BCCHK, but they declined to name them.

Earlier, provisional liquidator Mr. Noel Gleeson said he was still trying to find a buyer,

but warned against over-optimism.

Members also said representatives of the bank's majority shareholder, the Abu Dhabi government, might visit Hong Kong soon to give no further details of any possible rescue plans for the bank.

DOUGLAS: Depositors in the Isle of Man branch of BCCI hope Sheikh Zayed bin Sultan al-Nahyan of Abu Dhabi will consider them eligible to participate in his compensation scheme, the Manx High Court was told yesterday.

As the island is outside the UK jurisdiction, depositors in the Manx branch have been told they are not entitled to participate.

A petition to the Manx High Court for winding up the Isle of Man branch of BCCI was yesterday adjourned until September 10.

LUXEMBOURG

Protection for holding company

By Peter Norman

A LUXEMBOURG court last night put BCCI Holdings SA, the holding company for BCCI, into formal controlled administration.

The "gestion controllee", ordered by the Luxembourg authorities to Chapter 11 protection in the US, means court-appointed commissioners will oversee the holding company's affairs and protect it from creditors.

The move was made after an initiative by BCCI Holdings shareholders, acting on the advice of the Luxembourg Monetary Institute. The holding company was considered to need protection after having issued a number of guarantees.

It is understood that the Luxembourg authorities were anxious to avoid instability as the company controls about 30 subsidiaries in a number of countries. Yesterday's move will win time while investigations are carried out into whether BCCI or parts of the group can be reconstructed.

The court appointed Mr. Brian Smolha of UK accountants Touche Ross as one of the commissioners. He will be assisted by two Luxembourg-based commissioners. Last month he was given the same job at BCCI in the UK.

Health services of bias against women

Dr. James Summers, Labour MP for Glasgow, said that the NHS's health services were biased against women. He said that the NHS was not doing enough to help women with health problems, and that the NHS was not doing enough to help women with mental health problems.

Dr. Summers said that the NHS was not doing enough to help women with health problems, and that the NHS was not doing enough to help women with mental health problems.

Dr. Summers said that the NHS was not doing enough to help women with health problems, and that the NHS was not doing enough to help women with mental health problems.

DTI for Venezuela

Venezuela is a long-term investment target, the DTI has been told. The DTI has been told that Venezuela is a long-term investment target, and that the DTI should be looking at ways of doing business with Venezuela.

The DTI has been told that Venezuela is a long-term investment target, and that the DTI should be looking at ways of doing business with Venezuela.

Power group raises coal campaign

Power group, the electricity industry, has raised its campaign for coal. The group has been asking the government to do more to support the coal industry, and to do more to help coal miners.

The group has been asking the government to do more to support the coal industry, and to do more to help coal miners.

Trust union

Northumbria, a self-service trust, has been told that it should be a self-service trust. The trust has been told that it should be a self-service trust, and that it should be run in a self-service way.

The trust has been told that it should be a self-service trust, and that it should be run in a self-service way.

Teachers' moral

Teachers should be "great moral role models," the consequences of which are being explored by the Department of Education. The department has been looking at the role of teachers in society, and at the importance of being a good role model.

The department has been looking at the role of teachers in society, and at the importance of being a good role model.

Texaco contracts

Wincanton, a unit of Unilever, has won one of the contracts for the Texaco refinery. The refinery is a major project, and the winning of the contract is a significant achievement for Unilever.

The refinery is a major project, and the winning of the contract is a significant achievement for Unilever.

Adult education 'jeopardy'

The government's commitment to adult education is in jeopardy, the Education Secretary has warned. He has said that the government is not doing enough to support adult education, and that it is not doing enough to help adult learners.

The government is not doing enough to support adult education, and it is not doing enough to help adult learners.

House prices fall by 0.6 per cent

House prices fell by 0.6 per cent in July, according to a new survey. The survey shows that house prices have been falling for some time, and that the fall is likely to continue.

The survey shows that house prices have been falling for some time, and that the fall is likely to continue.

Discrimination 'ingrained' at western Europe's biggest employer of women

Health service accused of bias against women

By Diane Summers, Labour Staff

BRITAIN'S state-run National Health Service (NHS), the largest employer of women in western Europe, was yesterday accused by the Equal Opportunities Commission (EOC) of "paying lip service" to sex equality and displaying "deeply ingrained discrimination" towards its female workers.

The accusation came as the London-based commission published a report which revealed that women were seriously under-represented in senior positions, despite making up nearly 80 per cent of the NHS workforce.

Women account for only 17 per cent of unit general managers, 4 per cent of district and regional general managers, and only 1 per cent of consultant general surgeons.

Opportunities for promotion and training were found to be limited and inflexible working patterns were said by the EOC to be preventing qualified women from returning to work after having children.

Ms June Bridgeman, deputy chair of the EOC, estimated that, in crude terms, the health service was losing about £1.2bn of expertise each year among

nurses who decide to leave work. About 30,000 nurses left the NHS each year and each nurse cost about £40,000 to train, she said.

The Department of Health, however, pointed out that the annual loss for nurses compared favourably with other sectors in percentage terms.

The net loss each year is said by the department to be 5.7 per cent. Of this, about 3 per cent is because of death or redundancy. The net figure for teaching, another sector which employs a large number of women, is about 6 per cent, according to the Department of Education.

A survey of all health authorities in Britain carried out by the EOC for the report found that:

- 53 per cent do not offer any training opportunities for part-time workers and often down-grade women after career breaks or maternity leave.
- Part-time work is available to only 37 per cent of employees and those are mainly in low-paid, low-status jobs.
- 75 per cent of authorities do not monitor their equal opportunities policies to see if they

are effective.

• While 90 per cent have equal opportunities policies, 75 per cent of these do not mention procedures for dealing with sexual harassment - a big source of complaint among female workers, according to the EOC.

Ms Bridgeman said of the survey: "Even the EOC - a hard-bitten crew - were a little surprised by what they found." The commission has put forward a plan of action to government ministers and officials at the Department of Health and would be reviewing progress over the next 12 months, she added.

The EOC's report was welcomed yesterday by the Royal College of Nursing which represents most nurses in state hospitals and other health service unions.

Mrs Virginia Bottomley, the junior health minister, said she recognised there was still work to be done in the field of women's employment. "Ministers and the NHS management executive have already taken a lead in ensuring the equality of opportunity for women throughout the service," she said.

Confusion surrounds official account of Iraqi exports

By Clive Cookson and Ralph Atkins

THE Department of Trade and Industry (DTI) may have confused a parliamentary committee with its evidence about UK chemical exports to Iraq, it emerged yesterday.

As officials at the DTI and Customs and Excise scoured their records for more details of what chemicals were actually shipped to Iraq, they were arguing behind the scenes

about the way DTI had presented its evidence, published last week in a report of evidence to the House of Commons trade and industry committee.

The report includes a list headed UK Exports of Chemicals to Iraq 1980-90, which contains 37 chemicals - described by one expert as "a perfect shopping list for someone setting out to make chemical

weapons." But officials said it was not actually an accurate list of what was sent to Iraq. It was possible that some or all of the chemicals had not actually been exported - other related chemicals might have been sent instead.

In addition, the DTI submitted figures for the value of UK chemical exports to Iraq for

the years 1988, 1989 and 1990, obtained from Customs and Excise records. That table shows that £188,000 worth of thiodiglycol, the main ingredient of mustard gas, were exported, though there is a note that this "includes other chemicals." Yesterday a DTI official said: "No thiodiglycol was exported."

Mr Kenneth Warren, Tory

chairman of the committee, has asked for details of end users, values and amounts actually exported of goods listed by the DTI. He has also asked for the names of companies involved in exporting the most sensitive goods, although the committee may agree with the DTI not to publish that information, citing commercial confidentiality.

Airline compensation scheme planned

By David Churchill, Leisure Industries Correspondent

A £1 levy on all passengers arriving at UK airports was recommended yesterday by the Civil Aviation Authority as a means of reimbursing travellers with scheduled airlines which cease trading.

The CAA's recommendation to Mr Malcolm Rifkind, transport secretary, follows the collapse of Air Europe earlier this year.

The airline's scheduled passengers were not covered by any statutory compensation scheme, unlike its charter passengers.

About 30,000 travellers held Air Europe scheduled tickets at the time of its collapse and are likely to receive less than 5p in the pound compensation when the airline's affairs are finally wound up.

After the Air Europe col-



Rifkind: considering plan to levy £1 on passengers arriving at UK airports as a means of reimbursing travellers with scheduled airlines which cease trading.

lapse, Mr Rifkind asked the CAA for proposals to provide financial protection for scheduled passengers. The CAA sug-

gests that a scheme covering "all passengers making an air journey to, from or within the UK would be the most desirable."

However, it suggests that a levy of £1 per passenger on all arrivals at UK airports - including internal flights - would quickly create a fund of between £25m and £30m to refund passengers.

This fund would be similar to the Air Travel Reserve fund created in the mid-1970s as a back-up system to refund passengers whose charter airline ceases trading and who cannot be repaid by other means, such as a bonding arrangement.

The Department of Transport said yesterday that it was "carefully considering" the CAA recommendations. It is expected that the proposed

levy would require primary legislation, similar to that which set up the Air Travel Reserve fund, and therefore might not be introduced in the present Parliament because of insufficient time.

Leading airlines do not favour the levy as they believe it would unnecessarily raise prices to protect weaker airlines. British Airways said yesterday that "it is unnecessary to levy a charge on all passengers to provide insurance for those who choose to fly with less financially sound airlines."

The CAA thinks that the risks of another scheduled airline failure are likely to increase in future "as governments encourage more private-sector ownership of airlines and allow a more competitive environment."

BT unveils sweeping new price structure

By Paul Abrahams

BT unveiled sweeping changes in its pricing formula yesterday, throwing down the gauntlet to Mercury Communications and other entrants in the newly liberalised British telecommunications sector.

The changes, allowed by BT's new licence agreed by the government this summer, include discounting for high volume customers and reductions of nearly 20 per cent on selected international lines.

Overall, BT's prices will fall by nearly 7 per cent less than inflation. This compares with previous reductions of 4 per cent less than inflation. BT claims that if volumes remained the same next year, the reduction would lead to a fall in revenues of about £100m a year. The company said it expected to compensate for potential revenue losses by increasing call volumes.

BT also announced it would increase line rental and connection charges by 7.8 per cent, the maximum allowed by the Office of Telecommunications, OfTel. This is a continuation of its policy of trying to avoid cross-subsidising lines through call charges. Prices for daytime trunk calls remain frozen, although local and cheap rate trunk calls will increase by nearly 5 per cent.

The proposals are more favourable to business customers than residential users, OfTel said. However, BT points out that the median residential customer's bill will increase by less than 5 per cent.

The proposals include:

- Automatic discounting for business and residential users with call charges of more than £100 a quarter.
- Optional discounting of up to 13.5 per cent for customers making calls worth more than £25,000 a year.
- Price cuts on 199 international routes. Calls to the US, Canada, Australia and New Zealand will cost up to 19.9 per cent less, while those to Japan and the EC, except for Ireland, will fall by 10 per cent.
- Cheap line charges and free calls for consumers using less than 120 units a quarter.
- A customer service guarantee scheme under which payments would be made to customers if lines are not installed in time or repairs completed within two working days.

The National Consumer Council criticised the BT package as one which will "mainly help business users and better-off residential customers while doing little to help low-income households."

Analysis, Page 11

BRITAIN IN BRIEF



Power group raises coal campaign

National Power, the electricity generator, has written to the 12 regional electricity companies of England and Wales to enlist support for its campaign to take less coal from British Coal. In a letter linked to the Financial Times publication Power in Europe, Mr John Baker, chief executive of National Power, told the companies they would be unable to compete with gas if the cost of electricity was kept artificially high by expensive British coal.

Teachers should speak out on "great moral issues", especially the consequences of a rising number of single-parent families, Mr Peter Dawson, leader of the Professional Association of Teachers, has declared. He told the union conference at Liverpool that teachers had "to deal with the consequences of the collapse of the moral framework upon which our society is built".

Oil output slips to 1.7m b/d

UK oil production slipped to an average rate of 1.7m barrels a day in the first half of the year, the lowest level since 1982, according to a report by County NatWest. Output fell 13 per cent from the same period last year as large shutdowns were made on pipeline systems in order to complete safety work.

Dover docks to shed 250 jobs

Up to 250 jobs are to be lost at Dover docks because of an expected loss of ferry traffic when the Channel Tunnel opens in 1993. The Board is cutting a quarter of its workforce, bringing it down to 600 by 1994. It is predicted the port will lose up to 40 per cent of its revenue when the tunnel opens.

Interest claims on VAT

Taxpayers who are overcharged value added tax can now claim up to 15 per cent interest from Customs and Excise. Interest claims, arising from errors by Customs and Excise, can be backdated to the introduction of VAT in 1973. Claims must be made, however, within six years from the date the error was discovered or could "with due care" have been discovered and are liable to income tax, said the Customs and Excise department. The current rate of interest payable, set by the Treasury, is 12% from July 25, 1991.

Accountants in Docklands let

KPMG Peat Marwick, the UK accountancy firm, is moving part of its business to Canary Wharf, the new business centre under construction in London Docklands. The agreement to take 81,000 sq ft of space in three floors of the Canary Wharf tower, the UK's biggest building, is the first firm letting that Olympia & York, the Canadian developers, have made this year. Olympia & York also announced that another 86,000 sq ft has been taken by existing tenants.

DTI focuses on Venezuela

Venezuela is to be the target of a long-term concerted trade and investment initiative launched by the Department of Trade and Industry. Venezuela had been chosen because its economy was expected to grow by 5 per cent this year, investment of \$45bn was expected in the oil and gas sectors alone over the next five years, and because it has embarked on a programme of privatisation and liberalising its economy.

Trust seeks union deal

Northumbria Ambulance Service, a self-governing health service trust, is seeking a single union agreement with its 700 staff. The deal is understood to be the first by either an ambulance or a hospital self-governing trust.

Teachers have 'moral role'

Teachers should speak out on "great moral issues", especially the consequences of a rising number of single-parent families, Mr Peter Dawson, leader of the Professional Association of Teachers, has declared. He told the union conference at Liverpool that teachers had "to deal with the consequences of the collapse of the moral framework upon which our society is built".

Texaco changes contractors

Wincanton Distribution Services, a Unigate subsidiary, has won one of the largest road transport contracts in Britain for the delivery of petrol and other products for Texaco. Wincanton replaces Tank-freight, the NRC company, which has done the work since 1985, when Texaco closed its in-house operation. Tank-freight is sending redundancy notices to more than 250 employees.

Adult education 'jeopardised'

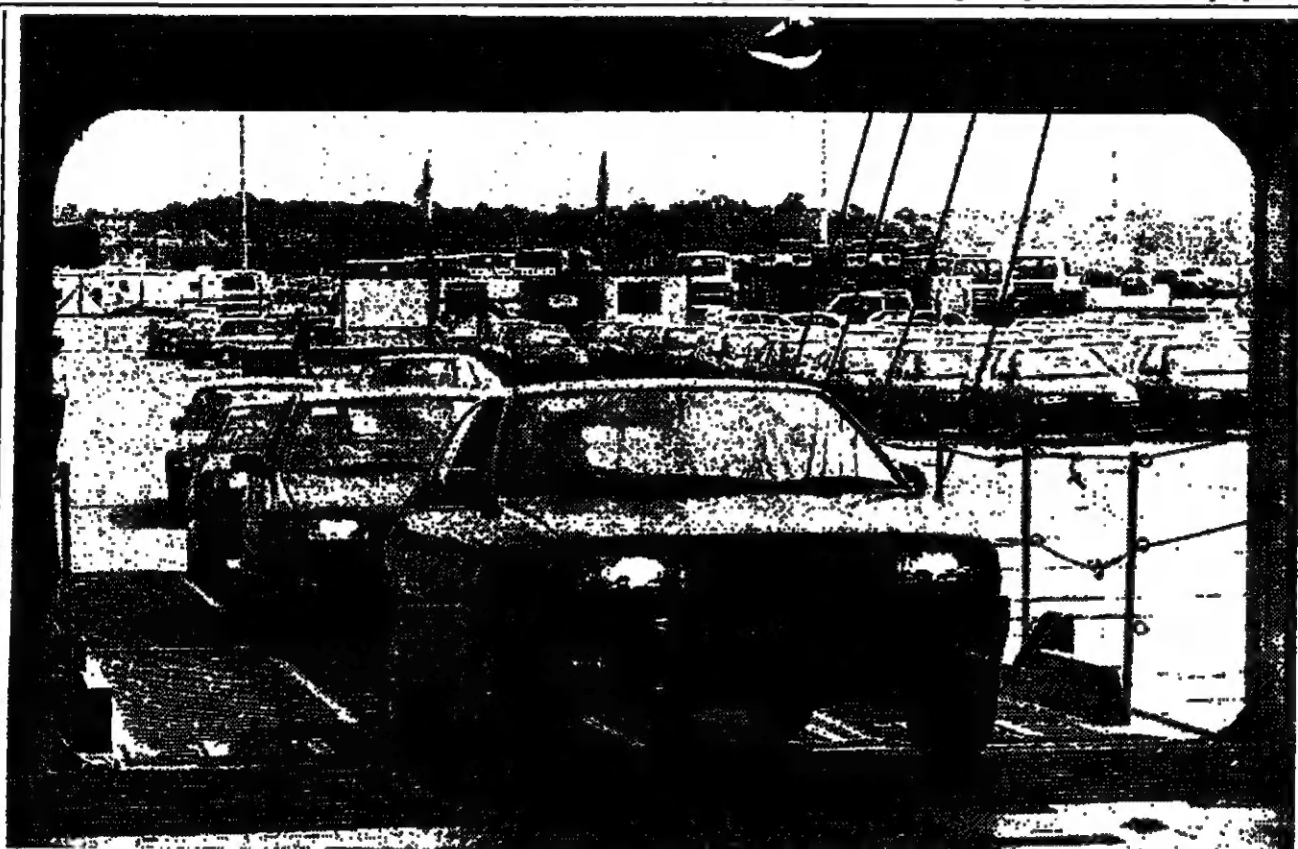
The government's policy document on education and training would, if implemented, severely jeopardise the future of adult education in England and Wales, the opposition Labour party has claimed. Derek Fatchett, a Labour education spokesman, said a survey of local education authorities showed 92 per cent predicting "substantial" increases in fees for adult education classes if government plans went ahead.

House prices fall by 0.6%

House prices fell by an average 0.6 per cent last month, giving a total fall of 1.5 per cent over the 12 months to July, according to the Nationwide monthly house price index published yesterday. This compares with an annual decrease of 3.1 per cent in June.

Correction

In yesterday's edition of the Financial Times, a diagram was used to illustrate a story about the suppliers for Honda's new UK plant. Owing to an error, we published a diagram showing the suppliers to the new Toyota plant in Derbyshire.



Homeward bound: the first European-built Japanese cars for export to Japan are loaded yesterday at Southampton

Midlands Electricity to compete with British Gas

By Juliet Sychnava

MIDLANDS Electricity plans to undercut British Gas by buying North Sea gas and selling it through the British Gas transportation system, the regional electricity company announced yesterday.

From September, Midlands Gas, a 75-25 per cent joint-venture between Midlands and the US electricity supply company Utilicorp, will be the first company, excluding the oil majors, to compete with British Gas.

The move was warmly welcomed by Mr James McKinnon, the industry regulator, who said it could mean consum-

ers were offered the choice of gas or electricity from a single supplier.

However, he regretted that under the terms of the 1986 Gas Act, the company would not be able to supply domestic consumers, or those taking less than 25,000 therms a year.

Midlands Gas will operate in a similar way to Midlands Electricity's supply business, which buys and sells electricity, and will use its marketing expertise and customer base. Through Utilicorp, Midlands Gas has secured an initial 36 million therms of gas, from Amoco's interests in the Indefatigable and

Leman fields in the North Sea.

The gas, worth around £12m, will be sold to medium-sized consumers taking between 25,000 and 250,000 therms a year, such as leisure centres or local government offices. Utilicorp is already negotiating for more gas.

Prices will probably be 5 to 10 per cent or 2p-3p per therm below the British Gas scheduled price. Midlands Gas will also offer a fixed price, compared with the more complex deal British Gas offers its customers. "Customers have told us they will buy from us at the same price as British

Gas because our contract is so simple," Mr Bryan Townsend, Midlands Electricity chairman, said yesterday.

The new business would not, he emphasised, expose Midlands Electricity's main distribution business to any risk. It will require little outlay, since it will use British Gas pipelines, and gas will only be paid for as it is sold.

Mr Townsend said Midlands Gas could eventually make a contribution of around 5 per cent to the company's profits. British Gas welcomed the announcement.

Lilley hails car exports to Japan

NISSAN, the Japanese car manufacturer, yesterday exported its first European-produced vehicles to Japan in a move which Mr Peter Lilley, the trade and industry secretary, hailed as recognition of British innovation and economic strength.

The shipment to Japan of cars assembled at Sunderland, north east England, is the first by any of the Japanese motor manufacturers, which have plants in the European Community.

Despite the sales slump in Britain's new car market and continuing recession, Mr Lilley claimed Britain was the world's most attractive environment for manufacturing investment.

He welcomed yesterday's exports, saying: "Overseas companies are recognising the underlying strength of the UK economy and the climate of enterprise, initiative and innovation we have created here."

Couriers prepare to put their stamp on the post

Plans to end monopoly on letters present a tough challenge to the private sector writes Tim Lawrence

SEVERAL private courier companies are secretly preparing, but amid considerable confusion, to respond to government plans to deregulate the Post Office and liberalise the letters market.

The companies have scant guidelines to work out how to break into the Post Office's market because the details are being negotiated with Mr Peter Lilley, trade and industry secretary.

So far he has simply indicated that opening up the £4.7bn operation to competition will "improve quality, choice and value for money" for consumers.

This is not the first government attempt to break up the Post Office. When the first Thatcher government started to gnaw away at the telecommunications monopoly, the Post Office appeared to panic at the prospect of competition.

A confidential Post Office report in 1982 gloomily predicted that Royal Mail traffic could decline by up to 35 per cent due to the erosion of the Post Office monopoly. At present no competitor is allowed to charge less than £1 for delivery of a letter by first-class post.

The report was also gloomy about the launch of Homefast, a private parcel delivery service, by TNT, the Australian-based delivery company. Homefast could threaten the Post Office's whole parcel contract business, the report said. But within three months the business closed.

The Post Office's response to the government proposals in the Citizen's Charter, unveiled

last week, to reduce the £1 tariff nearer to the cost of a first class stamp and open up the letters market could not have been more different. Sir Bryan Nicholson, chairman of the Post Office, welcomed the chance to compete with private courier companies provided it was on a "level playing field".

Now, as before, the commercially aggressive TNT is a likely competitor in the new market - which will probably involve sorting and transporting, with the Post Office retaining its near monopoly at the collection and delivery points.

But Sir Bryan knows that the courier companies face considerable obstacles to mount a successful challenge.

"The Post Office has dramatically improved its service and the position is entirely different to that of two to three years ago, when there were two national strikes," said Mr Alan Jones, managing director of TNT. "The Post Office management has got its act together and the quality of service has gone up by leaps and bounds. There isn't the gap there was before."

TNT could still launch a significant challenge, according to industry opinion, but other major courier companies are adopting an extremely cautious approach.

Federal Express of the US will not enter the first class mail mass market, according to Mr Cliff Morley, communications manager at UK Federal Express. The company is interested in high priority time-sensitive documents and packages, not the delivery of

POTENTIAL COMPETITORS				
UK operations	EMPLOYEES	VEHICLES	BRANCHES	PARCELS/DAY
• DHL	1,700	650	30	14,200
• Federal Express	7,000	3,000	60	200,000
• National Freight / Lymx	3,600	1,400	40	68,500
• Securicor	7,000	3,000	146	214,285
• TNT	7,500	4,000	350	191,700
• UPS	1,173	252	30	none

millions of low cost items.

Mr Paul Schlesinger, analyst at the US investment broker Donaldson, Lufkin and Jenrette, argues that the delivery of first class mail is unlikely to be sufficiently remunerative to interest Federal Express. Also its network is not designed to take on such an operation.

United Parcel Service (UPS) does not run a domestic service in the UK and will not be affected by the new market in letters. It plans to launch a domestic operation in the UK - it already has them in Belgium, France, Germany, Italy, Spain and the US - but this

would concentrate on parcels rather than documents and letters.

Securicor Omega Express, one of the largest domestic courier operators, is in a strong position to enter the market because of its size, but it has not yet declared its intentions.

"We have 3,000 vehicles covering the British Isles and we would be prepared to trunk mail around the country. But we are finding it very difficult at the moment because the government's intentions are so vague," said Mr Pat Howes, chief executive of Securicor

Omega Express.

Mr Peter Davies, UK managing director of DHL, a courier services company, has said that competition with the Post Office in first class letters is not a priority. He added, however, that liberalisation would help DHL efforts to improve customer services.

The couriers have good reason to be cautious in their response to the proposals. Not only is the Post Office a formidable opponent, but Mr Peter Lilley, trade and industry secretary, has made it clear he will not allow competition to undermine "the principle of a

nationwide service with a uniform, affordable price structure." "Cream-skimming" - couriers taking profitable urban business, leaving the Post Office to deliver to rural areas - will not be allowed to happen, the DTI said.

Finally, the couriers face the problem of convincing the public that they can provide a cheaper and more efficient service than the Post Office.

Much will depend on the outcome of negotiations between Mr Lilley and the Post Office. One subject will be whether couriers will be allowed to operate in specific regions if they are considered incapable of offering a national service.

But the strength of the Post Office - surveys have shown it is the cheapest in Europe and provides the best value for money - makes a major challenge to its first class letters service unlikely. Segmentation - involving competition in specific areas of Post Office business, such as collection or sorting - might occur, but even that will take time.

Niche markets could develop. For example, Mr Alan Soper, managing director of Lymx, the parcel arm of National Freight, hopes deregulation will help his company develop their contract courier operation, which involves the movement of mail between pre-determined points.

This will not upset the Post Office's dominance, just as TNT's Homefast challenge failed to reshape the market. Sir Bryan realises this. He has done his homework. Editorial comment, Page 10

MANAGEMENT

Toyota's Derby assembly plant

Building on trust and team spirit

Andrew Taylor reports on a mutually constructive approach

Construction companies in Britain have been criticised - sometimes fairly - for failing to build on time and to budget.

The cost of prestige projects such as the Channel tunnel has risen by more than 50 per cent as contractors and client argued over who is at fault and who should pick up any consequent bill.

Clients complain about a "claims culture" among contractors and subcontractors whereby they expend more energy protecting their individual financial and legal positions rather than working together to produce a common solution to problems.

Richard Griffiths, a senior vice president of Olympia & York, the private developer of the Ebn Canary Wharf development in London's docklands, says that the problems of construction in Britain are the result of business attitudes which encourage an adversarial relationship between the many professions and trades which work on a development. They are not the result of a lack of physical skill.

Britain is capable of building efficiently. Standards achieved during the construction of the 52m Broadgate office development next to Liverpool Street station in the City of London equalled the best US performance for speed and quality of construction. Construction work at Sizewell B, Britain's first pressurised water reactor nuclear power station, is currently running 8% months ahead of schedule.

Despite rosy over costs, Sir Alexander Morton, chief executive of Eurotunnel, says civil engineering and construction of the tunnels and terminals for the Channel tunnel is "virtually the same as the original schedule submitted to the British and French governments in 1987". This is remarkable given that detailed designs for some parts of the project were not completed until the beginning of this year.

Close to Derby, Toyota is

building a £700m car assembly plant. The Japanese motor group has been delighted with the performance of the UK contractors building what will be one of Europe's biggest industrial complexes. More than 50 separate subcontractors and 2,500 workers have been employed on Britain's second largest building project after Canary Wharf.

Construction, which began on May 1 last year, is due to be completed by February 1992, within Toyota's original schedule and budget established in

Management, part of the building and civil engineering group and project director for the Toyota plant, says: "It is important to study the management structure and characteristics of successful construction jobs to see whether they can provide lessons on how to improve practices on other contracts."

"It might be suggested that work has gone well simply because contractors have been working for a Japanese client which has been able to establish business relationships and a disciplined way of working that British companies are unable to achieve by themselves."

"Yet I have worked on equally successful and well organised jobs, involving all British clients and contractors - most recently a film shopping centre for Greycoat in Newcastle which was also completed within budget and schedule."

The Toyota plant, covering more than 200,000 sq metres and incorporating more than 20,000 tonnes of steel, is on a far grander scale than the Newcastle shopping centre. The ingredients required for successful construction, however, are broadly similar. These include:

● A well organised client which knows clearly what it wants and is prepared to work closely with contractors to achieve its aims. Toyota, which has employed Shimizu of Japan as contract administrator, has a senior construction team permanently on site with the authority to react immediately to problems without having to refer continually to higher management.

● A close-knit construction team which, although employed by separate companies in different professional disciplines, is able to forge a common purpose to benefit the project as a whole and not just individual companies. Ainsworth says there was a preference to employ subcontractors which had previously worked together. He says: "Following

the lead of Toyota and Shimizu, we did not simply accept the lowest tender but looked for the best price for the job as a whole. This included consideration of a subcontractor's ability to work in a team."

● Regular and free flow of information to all those involved in the project. Individual subcontractors formally meet the relevant project manager and representatives from Toyota and Shimizu at least once a week. Each meeting lasts between one and two hours but would be attended by only a small number of senior managers so as not to delay construction. There are also formal weekly co-ordination meetings, attended by all the subcontractors working on site, which last about 45 minutes. "The aim is to make sure everybody knows what is going on and can plan for problems which may have a knock-on effect on their part of the project," says Ainsworth.

● Frank and immediate discussion of problems as they emerge. Hidenori Kaiyama, joint managing director of Shimizu UK and the Toyota project director, says: "We encourage people to discuss problems instead of exchanging letters. Letters can sit on desks waiting to be answered while formal responses are prepared. We would prefer to sit down and discuss problems first hand with those involved."

The decision to start construction before designs had been completed meant that subcontractors had to be sufficiently flexible to cope with late breaking designs and changes to the schedule. Wetter than expected ground conditions, for instance, led to

an early decision to double the number of concrete piles from 1,100 to 2,200. This meant employing an extra contractor at short notice to help with the work. The extra cost, running into several million pounds, was absorbed into the original budget by finding savings in other parts of the project.

A temporary ring-main, involving half a kilometre of piping, had to be installed to help drain the site of the paint shop. Ainsworth says: "Because we had prepared carefully, we were ready to cope with this sort of contingency. We could react swiftly to overcome problems. Moreover, we knew we had the support of our subcontractors."

In another instance, the layout of the assembly shop was changed just before foundations were due to be dug. This meant bringing forward other works. This type of last minute rescheduling can be very costly and could lead to substantial claims for extra payment from subcontractors affected. In this case, the issue was resolved swiftly and no time was lost.

Contractors say that jobs like the Toyota plant and Broadgate provide a model of how projects should be organised. The NHS management executive is planning a national managerial ethos within the devolved service.



Bernard Ainsworth making sure that everybody knows what is going on

the lead of Toyota and Shimizu, we did not simply accept the lowest tender but looked for the best price for the job as a whole. This included consideration of a subcontractor's ability to work in a team."

● Regular and free flow of information to all those involved in the project. Individual subcontractors formally meet the relevant project manager and representatives from Toyota and Shimizu at least once a week. Each meeting lasts between one and two hours but would be attended by only a small number of senior managers so as not to delay construction. There are also formal weekly co-ordination meetings, attended by all the subcontractors working on site, which last about 45 minutes. "The aim is to make sure everybody knows what is going on and can plan for problems which may have a knock-on effect on their part of the project," says Ainsworth.

● Frank and immediate discussion of problems as they emerge. Hidenori Kaiyama, joint managing director of Shimizu UK and the Toyota project director, says: "We encourage people to discuss problems instead of exchanging letters. Letters can sit on desks waiting to be answered while formal responses are prepared. We would prefer to sit down and discuss problems first hand with those involved."

The decision to start construction before designs had been completed meant that subcontractors had to be sufficiently flexible to cope with late breaking designs and changes to the schedule. Wetter than expected ground conditions, for instance, led to

an early decision to double the number of concrete piles from 1,100 to 2,200. This meant employing an extra contractor at short notice to help with the work. The extra cost, running into several million pounds, was absorbed into the original budget by finding savings in other parts of the project.

Contractors say that jobs like the Toyota plant and Broadgate provide a model of how projects should be organised. The NHS management executive is planning a national managerial ethos within the devolved service.

Breath of fresh air for NHS training

By Alan Pike

A country house somewhere in the south east of England is about to find new life as a National Health Service training centre.

There are already plenty of NHS training centres. This one is intended to be more than a training centre and more than a building. It will symbolise a building of importance in management in the reformed NHS and is intended to help develop a stronger managerial culture within the service.

The management needs of the NHS are vast. People are required who can control billion-pound budgets, others who are capable of managing highly specialised professional services and many more to run smaller local units. But although the service spends \$600m a year on training, Eric Cairnes, NHS director of personnel, admits that it is "failing to provide enough really top senior managers".

Management consultants working in the NHS describe the service's best managers, who often have to handle problems of greater complexity than many of their private sector counterparts, in flattering terms. But, as Cairnes acknowledges, there is an insufficient depth of talent and experience reaching down into the vast organisation.

Although the problem is not new, the need to solve it is now more urgent. The NHS is being decentralised under government reforms, with managers in health authorities and hospitals having to take executive responsibility for issues which would previously have been referred to superiors.

As well as creating a growing need for managers capable of taking on higher-level responsibilities, this has raised another problem which the proposed management centre is intended to help resolve. The reforms involve devolution; they are not meant as a recipe for total local autonomy. Health authorities, unlike local authorities, are part of a single national organisation and must be managed accordingly.

Cairnes and his colleagues on the NHS management executive are planning a national managerial ethos within the devolved service.

"For 40 years since the NHS was formed, managers have depended on the central NHS management," says Cairnes. This had led to weaker managers being spoon-fed and the more independent-minded ones having the central management's medicine thrust down their throats. Now they must all take more responsibility, but it is important that we maintain a sense of belonging and develop shared values."

William Waldegrave, the health secretary, believes that the proposed management centre will help generate this sense of shared values and is giving the project strong backing. He decided that it was important to give the drive for more coherent managerial attitudes physical expression in a staff college, and that simply relying on conferences and other forms of communication.

The new centre will bring together decision-makers - permanent managers and the increasing number of doctors and nurses who have part-time managerial functions. One of the NHS's difficulties is that the emergency services situation which characterises the glamorous end of its work infects the way it is managed. Crisis after crisis is expected, swatted and tackled, leaving too little time and energy for long-term thinking.

Cairnes wants the new institution to become a "dynamic centre" for such thought. "It will not be an exclusive country club for senior staff but a place where practitioners learn from each other. We have to create the notion of a learning organisation within the NHS management."

So the centre might, for example, generate ideas on how the NHS is going to manage the huge growth in demand on its resources caused by the ageing of the population - an issue which will grow in scale into the next century - as well as more immediate managerial questions.

To help enhance the thinking process, the centre will have a small, permanent academic-like team developing ideas on how the NHS can best location prove suitable, also provide a home for other NHS research and training activities with the service's Bristol-based training directorate a likely first candidate.

The centre might, for example, generate ideas on how the NHS is going to manage the huge growth in demand on its resources caused by the ageing of the population - an issue which will grow in scale into the next century - as well as more immediate managerial questions.

To help enhance the thinking process, the centre will have a small, permanent academic-like team developing ideas on how the NHS can best location prove suitable, also provide a home for other NHS research and training activities with the service's Bristol-based training directorate a likely first candidate.

The centre might, for example, generate ideas on how the NHS is going to manage the huge growth in demand on its resources caused by the ageing of the population - an issue which will grow in scale into the next century - as well as more immediate managerial questions.

TECHNOLOGY

A race for publicity

Andrew Jack describes why Rank Xerox is sponsoring the Barcelona Olympic Games

vided. However, Xerox is particularly proud of a specially packaged version of some of its existing products into a device called the Xerox Information Point (XIP), also known as electronic pigeonholes.

Specially designed for the Olympics, the XIP comprises a Xerox personal computer and laser printer. In previous Olympics, human runners have taken hard copies of results from individual events to the press room and other offices, where they have been placed in pigeonholes. For the first time next year, this information will be carried electronically.

Results are passed to an IBM mainframe computer where they are compiled and then distributed to the 33 different Olympic sites by a Xerox Ethernet local area network.

Nearly 600 XIPs will be in use at the sites. Each has a touch-sensitive screen, which allows users to call up data by simply pressing on the appropriate place. They can choose to call it up in one of the four

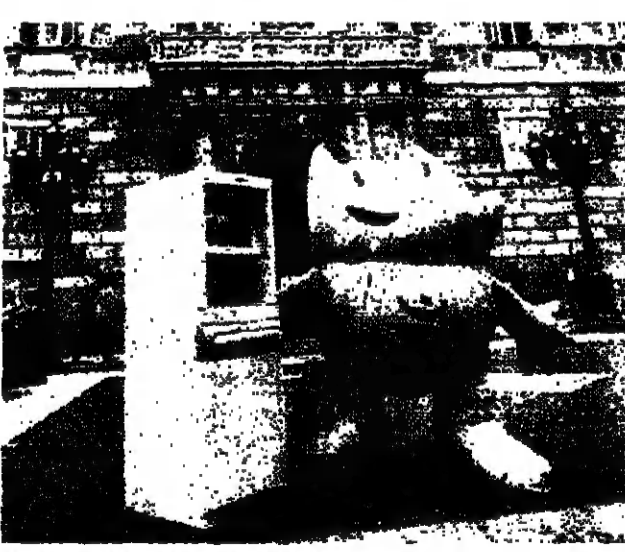
official languages (English, French, Spanish or Catalan). Results from any sporting event can then be printed on a high-resolution laser printer contained within the machine.

The XIP was designed by Xerox Spain in consultation with the organising committee. The exterior design was commissioned from Ramon Benedito, a well-known local industrial designer.

The company points to the fact that while Xerox affiliates have sponsored Olympic events since 1964, Xerox Spain is the first to create a customised device. In previous games, the company merely supplied off-the-shelf copiers.

Over the next few days the Olympic organising committee will be running a series of athletic events which will give the organisers an opportunity to test their systems and inspect logistics.

It has also provided journalists with a chance to use the electronic pigeonholes for the first time, and for Xerox to gauge their reactions. Initial



Cobi, the Olympic mascot, enthuses over one of the information points supplied to the city of Barcelona

impressions appear to be positive.

However, some people question why it is not possible to call up results information directly on to computer screens, rather than having to print it out. The use of a laser printer in each XIP means a delay of at least 30 seconds after requesting information before it is printed.

Xerox staff are unperturbed by the size of the sponsorship which the company has provided. They point out that it is a national figure based on the retail value of equipment; and that many of the machines provided will later be sold.

The company has received financial support from its US and UK partners, and gains tremendous opportunities to use the

Olympic mascot - a Catalan dog called Cobi - for publicity purposes.

The XIP has already found alternative uses. The City of Barcelona has tentatively agreed to buy 85 of the Olympic machines at a reduced cost of around £2m, and an annual maintenance fee of \$3,000 each. The XIPs, which will be known as citizen information points, will be spread around the city.

By entering their name and identity card number, any resident will be able to receive a series of official documents, including certificates of residency, and certificates of payment for items including taxes, cars and building permits.

Xerox is already beginning to look at other potential uses for its information points.

CFCs in for an electric shock

ONE of the biggest uses of chlorofluorocarbons (CFCs) is in the electronics industry, where the liquids are used to clean the printed circuit boards after the electronic components have been soldered to them.

Now Cookson, the London-based materials group, together with its Canadian subsidiary Electrocoat, have devised a way of attaching components to printed boards while minimising the use of the acidic flux which is removed by the CFCs.

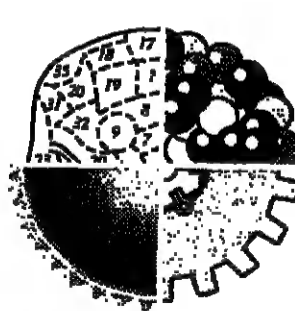
The flux is used to remove the oxides from the boards before they are passed through the soldering equipment. Cookson's development is to carry out the soldering in an oxygen-free environment - so no oxides do not form.

In some cases the flux is not needed at all, in others low solid fluxes can be used which are easier to remove.

The technology has been incorporated in Cookson's Atmos 2000 wave soldering machine at a reduced cost of around £2m, and an annual maintenance fee of \$3,000 each. The XIPs, which will be known as citizen information points, will be spread around the city.

By entering their name and identity card number, any resident will be able to receive a series of official documents, including certificates of residency, and certificates of payment for items including taxes, cars and building permits.

Xerox is already beginning to look at other potential uses for its information points.



WORTH WATCHING

by Della Bradshaw

by 20 per cent over any of its other tyres. Some analysts were sceptical about what Goodyear claims is "a quantum leap in complex rubber chemistry", describing the process as more evolutionary than revolutionary.

Goodyear says that the beauty of this tyre from the consumer viewpoint is that it combines fuel efficiency and environmental consciousness without sacrificing the three things consumers want most - tread mileage, the tyre's grip on the road and overall performance.

The thermal camera, developed by Thomson Surveillance Video, can detect a 10cm square forest fire at a distance of 12 kilometres, say the manufacturers.

Thomson envisages the equipment being attached to fire-lookout posts dotted around forest regions. From there the camera will be able to scan an area with a radius of 20km. Once a fire is spotted the camera sends pictures of the incident first to a PC screen for the emergency services to act upon, with the flames displayed as bright spots on the image.

The ripe way to eat cheddar

A FASTER ripening cheddar is the promise of research into enzymes being carried out at the St Hyacinthe food research and development centre in Quebec.

Researchers there have taken strains of the lactic acid bacteria, normally found naturally in milk products and used in the ripening of cheeses, and refined them so that they mature the cheese more rapidly. The process is now understood and the centre is working on how to control the technique so that it can be used in large-scale cheese production.

Nielsen, which pioneered the use of scanning data, has spent three years developing its new systems. The technology has brought greater accuracy in recording data - barcodes enable individual product lines to be identified - as well as faster delivery of information to retailers and manufacturers.

"The retail index will pro-

vide the definitive monthly measurement of consumer sales across the entire trade," says David Timberlake, marketing manager.

The system promises substantial marketing advantages because it can be used to measure more precisely and quickly the effects of pricing, advertising and promotional initiatives on sales. The influence of external factors such as seasonal peaks or weather conditions can be quantified and predicted.

PC smokes out forest fires

INFRARED heat sensors, more normally associated with military applications, are being used by a subsidiary of Thomson-CSF, the French electronics company, to seek out forest fires.

The thermal camera, developed by Thomson Surveillance Video, can detect a 10cm square forest fire at a distance of 12 kilometres, say the manufacturers.

Thomson envisages the equipment being attached to fire-lookout posts dotted around forest regions. From there the camera will be able to scan an area with a radius of 20km. Once a fire is spotted the camera sends pictures of the incident first to a PC screen for the emergency services to act upon, with the flames displayed as bright spots on the image.

The ripe way to eat cheddar

A FASTER ripening cheddar is the promise of research into enzymes being carried out at the St Hyacinthe food research and development centre in Quebec.

Researchers there have taken strains of the lactic acid bacteria, normally found naturally in milk products and used in the ripening of cheeses, and refined them so that they mature the cheese more rapidly. The process is now understood and the centre is working on how to control the technique so that it can be used in large-scale cheese production.

Nielsen, which pioneered the use of scanning data, has spent three years developing its new systems. The technology has brought greater accuracy in recording data - barcodes enable individual product lines to be identified - as well as faster delivery of information to retailers and manufacturers.

"The retail index will pro-

vide the definitive monthly measurement of consumer sales across the entire trade," says David Timberlake, marketing manager.

The system promises substantial marketing advantages because it can be used to measure more precisely and quickly the effects of pricing, advertising and promotional initiatives on sales. The influence of external factors such as seasonal peaks or weather conditions can be quantified and predicted.

PC smokes out forest fires

INFRARED heat sensors, more normally associated with military applications, are being used by a subsidiary of Thomson-CSF, the French electronics company, to seek out forest fires.

LAHOLITA

ARTS

Rare Buddhas from China

The colossal 5th century sandstone Buddhas, 28ft or even 45ft high, hewn out of the rockface in hollowed-out caves at Yungang, are famous and justly celebrated images from Shanxi Province in North China. Free-standing statues, sculptural reliefs and wall paintings from Shanxi's cave temples are also widely known in the West through museum collections in Zürich, New York, Philadelphia, Toronto and Kansas City.

Far less familiar outside the People's Republic are the Buddhist monasteries scattered throughout this remote region. Many of these medieval wooden structures have escaped the ravages of fire, civil war and the international art market, and survive more or less intact, their interiors resplendent with outstanding polychrome clay-stucco, rather than stone, sculpture and wall painting. No where else in China, save the great cave-temples, do so many Buddhist images and groups of images remain in their original surroundings.

Thanks to a remarkable collaboration between the Buddhist Cultural Research Institute of China, the Cultural Relics Bureau of Shanxi Province, the Buddhist Association of China and the P. L. Lin Monastery and Chi Lin Buddhist Library in Hong Kong, the Buddhist images and often complex monumental groups of 14 monasteries have been magnificently photographed for the first time. The results are nothing short of a revelation.

Buddhist Sculpture of Shanxi Province (Hong Kong: The Buddhist Association of China and the P. L. Lin Monastery and Chi Lin Buddhist Library, 1990) is now available. In Chinese, Future editions in English and Japanese are planned. Meanwhile, a selection of photographs, some 3ft by 4ft, is on show in Beijing and in London, at the Percival David Foundation of Chinese Art (53 Gordon Square, WC1) and the nearby School of Oriental and African Studies in Thornough Street, until August 15. The photographs came to London thanks to the initiative of the photographer Zhuang Xiao Ming and of Professor Roderick Whitfield - and to the energies of two

nuns in Hong Kong. Larger exhibitions show at 10 venues throughout Hong Kong from late August to October.

Immediately striking, especially when looking at the Ming Dynasty monasteries of Shuanglin and Guan Yin, is the extent to which the preservation of Chinese Buddhist sculpture in the West is misleading, however inadvertently. All religious sculpture in a museum - whether Greek, Gothic or Baroque - is seen out of context and in splendid and unnatural isolation. What is so unexpected, even shocking to the Westerner confronted with these images in situ is the screaming contrast between the serene, simplicity and restraint of the deities and the near chaotic business of their immediate surroundings. Not one inch of wall or modelled surface seems to be left unadorned. Unfortunately, these photographs show tantalisingly little of the sculpture's relationship to architecture and wall painting.

Visitors to the Percival David Foundation and SOAS should not come prepared for an elegant, coherently hung exhibition - or any information beyond brief captions. At the Percival David the colour photographs are hung almost randomly where space permits between the vitrines of exquisite ceramics. In the less promising SOAS lecture theatre foyer they are an even sordid sight, propped up in display cases. Nonetheless, they manage to transport one halfway to the Mount Wutai - or at least make you long to make the pilgrimage. Shanxi's monasteries are witnesses to the virtuosity of its craftsmen and to the faith of its people. They also serve to document the evolution of Buddhism in China.

Monumental figurative sculpture, like Buddhism itself, was a foreign import. To some extent, it developed only to meet the iconographical demands of the religion. The earliest sculpture illustrated belongs to what has recently been found to be the oldest wooden structure in China, the small hut at Nanchang Monastery on the southern outskirts of Mount Wutai. This sacred "Mountain of Five Terraces" was thought to be the earthly abode of the Bodhisattva of



Bodhisattva Samantabhadra (centre) with attendant and disciple; Liao dynasty, AD1038. Lower Huayin Monastery, Datong, Shanxi Province

Wisdom, Manjushi.

A beam dates the building to 785 and to the Tang Dynasty. On a date almost the size of the room, is a tableau of Buddha surrounded by his retinue of deities, most of which Prof. Whitfield believes to be Tang but repainted. There is just about enough room to allow visitors to walk around the 17 figures - which include the Buddha Vairocana's lion and his negroid tamer - in the traditional Indian rite of circumambulation.

Another precious survival is the Liao Dynasty Lower Huayin Monastery at Datong, dated to 1038. Looking inside this dark hall is a tight grouping of Buddhas of the Present, Future and Past, all seated on huge lotus flowers and backed by flaming mandorlas of painted wood that raise them

to a height of over five metres. The group is highly sculptural and very powerful. Its polychrome is probably original, a rich deep crimson and dark green with splashes of gliding. It is quite different from the garish scarlet, green and white of the impressive attendant figures at Zhenyuan of less than 50 years before. Their varied head-dresses, with their scrolling plant motifs and sinuous dragons - relate to the splendid surviving silver and silver-gilt crowns and head-dresses that demonstrate the mastery of the Liao goldsmiths.

The Bodhisattva Guanyin in the Hall of the thousand Buddhas at Shuanglin Monastery, Pingyao, is further evidence of how fleshy forms, flowing drapery and flying scarves and ribbons, are particularly suited

to the modeller's, rather than the carver's, art, where clay is used over an armature of wood or bundles of brushwood. Guanyin became one of the most popular deities in the Buddhist pantheon, a compassionate and accessible being dedicated to helping mankind - and increasingly feminine if not quite female.

Here, calm and tranquil, Guanyin sits on the sea-girl fabled Mount Fotalaka, a scaly sea monster disappearing underfoot. The grotto imagery extends to the canopy above and to the five registers of 26 high figures in rocky niches that line the walls. Some 2,000 images tell the life of the historical Buddha Sakaymuni at Shuanglin.

Susan Moore

La Fille mal Gardée

COVENT GARDEN

Has it really been 31 years since we first saw Ashton's version of *La Fille mal gardée*? The years and the performances have flown on feet as swift as those of Nadia Nerina, the first Lise. Looking delightfully at *File* for at least the hundredth time on Wednesday evening, I could marvel still at its unchanging felicity. With what sunny skill did Ashton combine character dance with classicism. And with what a sense of relief did he free himself from the complications of three-act form (after *Cinderella*, *Sylvia*, *Orpheus*) and show the simpler requirements of two acts could carry the story joyously forward without interruption. *File* awoke in him those feelings of pastoral lyricism that are a vital pulse through English art, and had he never made a better work we should recognise in this masterpiece that Ashton was a major poet.

Thirty years of constant performance have brought some

shifts of emotional emphasis to the ballet - there was a tenderness, an innocent sweetness, to the way Nerina and David Blair played their love-scenes which no-one afterwards ever matched - but as given by Birmingham Royal Ballet in their current Opera House season, *File* is still an unalloyed joy. Miyako Yoshida is a Lise who touches in every action, every step with the lightest, surest means. Her dancing is clear, brilliant, true - there is enormous pleasure in watching each transcendent moment presented with such felicity and delicate ease - and she plays Lise with a charming sparkiness that lets us know she is her doughty mother's daughter. From David Yow a Colas alert and ebullient in technique - it is the best thing I have seen him do - and unabashedly in love with his Lise.

The rest of the RRB performances were no less engaging. I think David Morse an excel-

lent Simone. He lets us understand the three levels of the role: an interpretation of unquestioned masculinity (no drag-queen posturings) that yet accepts the comic conventions of travesty playing and also finds a dramatic essence in the characterisation of a woman eager to marry her daughter well. The balance is difficult to sustain: Mr Morse, underplaying superbly, is funny, resourceful, and in the final scene - when the marriage contract has been torn-up - wonderfully true to life. Vincent Redmon is an Alan whose bewildered gaze hides real feelings; Desmond Kelly a fine and blustery Thomas. There were, though, a few boisterous moments - on stage and in the pit - which looked and sounded as if they were far, but a pastoral comedy, and needs no nudges or vulgarities to tell us of its humour.

Clement Crisp

Mozart and Mahler

ROYAL ALBERT HALL, RADIO 3

Mark Elder conducted Wednesday's BBC Symphony Prom, which included more Mozart - the early E-flat Piano Concerto, K. 271 - and Mahler's *Das Lied von der Erde*. Neither Elder nor his soloist Stephen Hough sounded quite easy with the concerto; the Allegro began brightly but developed no other manner, and they clumped into the recapitulation as if by accident. Good tempo for the remaining movements, the Andantino not dragged out and the Presto rattling along properly, but the former evoked little feeling, (despite manful efforts to generate some), and in the latter the racing piano was bass-heavy and the enclosed Menuetto dull.

Elder had plenty of ideas about the Mahler, many of them effective, and two lusty-throated soloists, Gary Lakes' tenor, not particularly beautiful in itself, is strong, reliable and well employed. Only the irony for "Von der Jugend" was missing (taking the song under tempo didn't help), and credible German "r"s instead of his rolled Italian ones.

The mezzo Linda Finnie displayed impressive reserves of power, unflagging to the end, and some gorgeously hunched phrasing, one could forgive some over-operative moments in the

"Abschied". One wished her longer lines still. The chance of sustaining them must vary inversely with the quantity of tone being poured out, which was considerable here.

Long lines were not a priority for Elder, either. The high strings, floating and soaring, often played second fiddle to jostling woodwinds, whose roles Elder frequently highlighted, interesting, for once in a way, but rather consciously experimental. The licensed wind solos were fine - William Houghton's trumpet in the opening song precisely delicate in the right places as well as cutting, and Michael Cox's flute wonderfully limpid in the "Abschied". (Which began too slowly, like the third and fourth songs: *Das Lied* really needs to be kept moving in the middle, if the close is to have its full weight.)

Elder arranged his orchestra unconventionally, by modern standards; in particular, I thought his dividing the violins to left and right in the old-fashioned way brought many textual benefits. All in all it was a performance of many rewards, if not one that was moving to the ultimate degree.

David Murray

Lipstick Dreams

GREENWICH STUDIO THEATRE

After Australian soap on television, here it is on stage and there is no reason why it should not be equally successful. Even one of the stars is the same. Linda Hartley plays Kerry Bishop in the television series *Neighbours*; she reveals greater talents when she is allowed to act, sing and move in *Lipstick Dreams* and do it live. It would be an exaggeration, however, to say that this is entirely Ms Hartley's show. All three other women in the cast are remarkably good.

Don't look for originality: just admire the professionalism of old tricks well done. The piece has *Shirley Valentine* written all over it. Every turn in what story-line there is, is signalled about a mile in advance. This is soft rather than militant feminism. It is hard to imagine that off Australian men can be quite as awful as these women say. The women don't really believe that either: they want the men in the end.

The setting is the Blue Heaven background, a small town New South Wales where the ultimate ambition is to get away to Sydney. (I told you that this is real soap.) Economic recession, the demands of the bank manager and the opening of a rival salon across the road are threatening closure. So the Blue Heaven lot decides to enter a talent contest in the local Ming Wah Chi-

nese restaurant in order to regain customers. They form a group called *Lipstick Dreams*. There are a few hitches along the way, mainly involving the selfish behaviour of men (never seen) and the willingness of some women to go along with it. Naturally of course, the group wins in the end, abetted by an older customer who joins the act at the last minute. The customer is played by Heather Bell, who will be well-known to some as Clarrie Grundy in the BBC radio soap, *The Archers*.

Yet, as I say, don't look at what they do so much as how well they do it. There is a splendid scene where Mary Spencer as the woman who owns the salon applies make-up to herself with all the artistry of someone who knows what it is all about and why good make-up is so expensive.

The climax is the song numbers where the women, all dressed in scarlet, knock out "Dancing in the Street" and "Be my Baby". No need for background sound effects this time: the applause from the audience is wholly spontaneous. It is then, and only then, that Ms Hartley emerges as a star above the rest.

I have written before about the promise of the recently established Greenwich Studio. Like nearly all pub theatres, it has a very small stage, too small for this production,



Linda Hartley

except as a try-out. *Lipstick Dreams* deserves to move to something bigger. The question is how much bigger. The piece has been written and produced under the influence of the small screen. What it needs to take off is in the smaller west end theatres where the final scene could be seen in its full triumph.

The play is written by two authors previously unknown to me: Helen O'Connor and Simon Hopkinson. It is directed with great style by Gerold Armit. The fourth performer, not mentioned till now, is Jane Anthony-Grant as the plain unliberated girl who is in many ways the best straight actress of the lot. For anyone unfamiliar with the Greenwich Studio, it is just next to Greenwich station. It costs only £2.20 to get there on the train from Charing Cross.

Malcolm Rutherford

The ballet season at La Scala, Milan

At a time (35 years after her Scala debut) when she might be expected to rest on her laurels, Carla Fracci seems to be more in demand than ever, and this is proving a particularly active summer. After a *Romeo and Juliet* at the Teatro Olimpico in Vicenza, Fracci appeared at La Scala in mid-July as Lizzie Borden in Agnes de Mille's 1948 ballet *Fall River Legend*.

Audiences were nearly denied the opportunity to see Fracci's mastery interpreted because of yet another strike threat by the unruly band that manipulates the dancer's union. They were short-sightedly protesting against the engagement of guest artists, including in that category Fracci, the Milan theatre's most illustrious alumna this century. At the last moment, as usual, it was decided to allow the performances to go ahead, on condition that the Scala's resident "prima ballerina étoile" alternated in the role.

Like Rodeo, which American Ballet Theatre brought back to London last year, *Fall River Legend* is a period piece (subject and choreography; score by Morton Gould, scenery by Oliver Smith and costumes by Miles White) and remains an important element in the company's native heritage.

The Scala company was taught the work by Terrence Orr, an ABT veteran who taught the stylised movements impeccably but who was, inevitably, unable to instil interpretative skills in dancers little noted for them. As a result, despite conscientious efforts by Maurizio Vandina as the pastor who is sympathetic to Lizzie, Giuseppe Arena as her father and Vera Karpenko as her harsh stepmother, Fracci had to carry most of the dramatic burden alone. Managing by means of clever make-up and an understated but effective use of understatement, she gave a performance of remarkable power and restraint, eschewing all histrionics and well in command of the unshowy technical demands of the role. Unfortunately, the absence of scenic character artists in the company led to a lack of balance, the parents and pastor looking regrettably younger than Lizzie.

A programme change during ABT's Paris Opéra visit at the same period led to Alessandra Ferri appearing in the identical role just two evenings earlier. But the age gap was more credible. Ferri had the advantage of having experienced Victor Barbce to support her as an impressive Pastor. When

Fracci lifted the hatchet for the first time, innocently, she wore a malicious smile, while Ferri seemed altogether a victim, the more so because of the malevolence of Georgina Parkinson's Stepmother.

Robert de Warren, who has now been ousted as director of the Scala ballet in favour of Giuseppe Carbone, has to be thanked for this unusual choice and also for the rare inclusion of a work by Frederick Ashton. *Jazz Calender* is certainly not one of Ashton's most important works and it does not gain from being placed at the beginning of the evening, but the principle has to be saluted. Richard Rodney Bennett's score was quite brightly played by the Jazz Class Orchestra, but too many of the dancers contributed only steps, with too little personality. Annamaria Grossi, in the Sunday episode, provided one of the few exceptions. In the tricky Friday pas de deux that was originally danced by Antoinette Sibley and Rudolf Nureyev, Anita Magyari and Bryan Hewison had their work cut out to overcome the technical difficulties. In his first prominent solo role, Hewison experienced some of the problems of a new soloist, but showed promise nevertheless. Luigi Serafini's new sets and costumes were rather self-con-

sciously whimsical. A new ballet by Amedeo Amadio had been announced but was replaced by his version of *L'Après-midi d'un faune*, which opens with Syrinx, both works being played on flute and piano. Luciano Savignano and Georgeina Lancia danced it.

This programme brought the Scala season to an end. *Romeo and Juliet* being inescapable this year, partly on account of the Prokofiev centenary, that ballet will return to the repertoire in the autumn, with Fracci as one of the Juliets. Having appeared in John Cranko's first version in 1958, she will now return to the Verona Arena, where Nureyev's production is being replaced by a mixture of Loris Gai and Cranko. In Palermo, on the other hand, Kenneth MacMillan's *Romeo and Juliet* will be given by American Ballet Theatre in the beautiful outdoor setting of the Teatro Massimo. Alessandra Ferri will be appearing there with Julio Bocca, with whom she danced an intense Balcony Pas de Deux in Turin, when Bocca's Argentinean group came to the dance festival who delighted audiences and critics, despite Bocca's feats of virtuosity and attempt at characterisation.

Freda Pitt

INTERNATIONAL ARTS GUIDE TODAY'S EVENTS

AMSTERDAM

Rijksmuseum Indian Miniatures: 100 pieces from the Fondation Custodia collection, illustrating Mogul histories and Hindu epics from 18th to 19th centuries. Ends Sep 22. Closed Mon.

Van Gogh Museum Japan: Van Gogh's Utopia, examining the influences of Japanese prints and culture on the life and work of Van Gogh. Ends Sep 22. Daily.

BERLIN

National Gallery Paintings from France: 28 works which secretly came into the hands of the early German authorities in the early 1970s. Ends Aug 11. Closed Mon and Tues.

Schloss Charlottenburg Imperial Art from the Dutch Exile of Kaiser Wilhelm II. Ends Sep 29. Closed Mon.

CHICAGO

Art Institute Degenerate Art: The Fate of the Avant-Garde in Nazi

Germany, featuring the work of artists held up for public mockery in 1937, who later won recognition as masters of their realm. This is a widely-acclaimed exhibition originally mounted by the Los Angeles County Museum. Ends Sep 8. At the Gold of Africa: Jewellery and Ornaments from Ghana, Ivory Coast, Mali and Senegal. Ends Aug 25. Also 18th and 19th century Staffordshire creamware by Wedgwood and others. Ends Oct 27. Also English and French Printed Textiles: 100 examples mainly from 18th and 19th centuries. Ends Sep 3. Daily.

DUSSELDORF

Kunstmuseum Walter Ophey (1882-1930): exhibition of 180 paintings and drawings by a long-neglected German artist who was associated with the early 20th century avant-garde. Ends Sep 1. Closed Mon.

EDINBURGH

Royal Scottish Academy Virtue and Vision: Sculpture and Scotland 1540-1990, tracing developments since the early days of court patronage to the strong native school of the present. Ends Sep 15. Daily.

FLORENCE

Casa Buonarroti Artemisia Gentileschi (1593-1653), follower of Caravaggio and possibly the most famous woman artist of all time. The exhibition includes 30 paintings from Italian and foreign museums, together with several masterpieces by her father Orazio. Ends Nov 4. Closed Tues

Museo Nazionale del Bargello The Bronzes of Calliope's Writing Desk: the collection of bronze and marble statues built up by Cosimo I de' Medici between 1550 and 1574, and stored in the Sortitoio di Calliope, a small room used to guard the Duke's most precious belongings. The collection has survived almost intact, and is one of the most important of its kind. Ends Aug 25. Closed Mon.

FRANKFURT

Schirn Kunsthalle From Expressionism to the Resistance: Art in Germany 1909-1936, the Fishman collection. One of the most significant collections of German art from between the wars, with 190 paintings, drawings and sculptures by artists such as Beckmann, Kirchner, Dix and Meidner. Ends Aug 18. Also Marc Chagall: the Russian years (1905-22), with 250 oils, watercolours, drawings and sketches. Ends Sep 8. Daily.

GLASGOW

Hunterian Art Gallery The Nude: five centuries of drawings, watercolours and prints from the Hunterian's collection, including work by Dürer, Rembrandt, Goya and Epstein. Ends Oct 19. Closed Sun.

LONDON

Royal Academy The Fauve Landscape: Matisse, Derain, Braque and their Circle 1904-1908, with 75 paintings showing how the Fauves used vibrant colour to express their subjective and

emotional response to landscape. Ends Sep 1. Daily.

Tate Gallery John Constable: largest-ever survey of the English artist's work. Ends Sep 15. Daily.

Victoria and Albert Museum Schinkel: A Universal Man, an exhibition devoted to one of the most influential classical architects of the 19th century. Ends Oct 27. Daily.

LUGANO

Villa Favaria Magnificent Swissland: Swiss Views by Foreign Artists, including 80 oils and watercolours by major European artists of the 18th and 19th centuries, such as Turner, Corot, Bierstadt, Delacroix and John Singer Sargent. Ends Oct 31. Closed Mon.

MARTIGNY

Fondation Gianadda Ferdinand Hodler: Painter of Swiss History, including some of the large-scale historical and mythological works which established Hodler as a leading Swiss painter of the late 19th century. Ends Oct 20. Daily.

MILAN

Palazzo Reale Filippo de Pisis (1896-1956): an exhibition, drawn primarily from Milanese private collections, of paintings by the Italian artist who based his style on the fluent, quasi-impressionist brushwork of Manet and Gauguin. Ends Oct 13. Daily.

MUNICH

Kunststille der Hypo-Kulturstiftung Thought Pictures: Contemporary

Art 1960-90. Installations and paintings by 50 internationally-recognised artists including Donald Judd, Frank Stella and Bruce Nauman. Ends Sep 8. Daily.

NEW YORK

Metropolitan Museum of Art Masterpieces of Impressionism and Post-Impressionism, including works by Gauguin, Cezanne, Van Gogh, Renoir and Degas. Ends Oct 13. Also The Art of Paul Gauguin: retrospective of one of America's foremost sculptors. Ends Sep 1. Closed Mon.

Museum of Modern Art Lee Friedlander: Nudes. A selection of 50 photographs of female nudes ranging from intimate portraits to abstract figure studies. Ends Oct 8. Also Ad Reinhardt (1913-67): the first full-scale retrospective of the American artist, known for his austere abstract style. Ends Sep 2. Closed Wed.

Whitney Museum of American Art Hunt Diedrich: figurative sculpture and drawings by a long-neglected early 20th century artist. Ends Sep 29. Also John Baldessari: retrospective of 22 years of work by a pioneer of conceptual art. Ends Oct 20. Also American Life in American Art: the 20th century American experience as seen in paintings and sculptures from the permanent collection. Ends Nov 10. Closed Mon.

PARIS

Centre Georges Pompidou Andre Brton (1895-1965): the aesthetic world of one of the leading theorists of Surrealism. Ends Aug

26. Closed Tues.

Grand Palais Georges Seurat (1859-91): 180 paintings, studies and drawings. Ends Aug 12. Closed Tues.

ROME

Accademia Valentino Valentino: Thirty Years of Magic. 300 outfits made between 1960 and 1990 with their original accessories. The intelligent eye of the designer shows in the wealth of sources - William Morris wallpaper, Meissen pottery, Bronzino portraits and Tiffany lamps. Ends Nov 5. Daily.

TOKYO

National Museum for Western Art Martin Schongauer and the Art of Copperplate Engraving: an extensive exhibition of engravings, predominantly on religious themes, on loan from the Dresden state collection. Ends Aug 18.

VIENNA

Albertina Austrian Watercolours of the 19th Century: 70 works documenting the achievements of Austrian painters before the advent of Jugendstil and the Sezessionen. Ends Sep 1. Closed Sun.

PRAGUE

Convent of St Agnes of Bohemia Centenary reconstruction of the jubilee exhibition of 1891. Ends Oct 6. Closed Mon.

Convent of St George Ancient Chinese art from the National Gallery collection. Ends Sep 15. Closed Mon.

Kinsky Palace Goya: exhibition

of sketches and drawings. Ends Sep 1. Closed Mon.

ROME

Accademia Valentino Valentino: Thirty Years of Magic. 300 outfits made between 1960 and 1990 with their original accessories. The intelligent eye of the designer shows in the wealth of sources - William Morris wallpaper, Meissen pottery, Bronzino portraits and Tiffany lamps. Ends Nov 5. Daily.

TOKYO

National Museum for Western Art Martin Schongauer and the Art of Copperplate Engraving: an extensive exhibition of engravings, predominantly on religious themes, on loan from the Dresden state collection. Ends Aug 18.

VIENNA

Albertina Austrian Watercolours of the 19th Century: 70 works documenting the achievements of Austrian painters before the advent of Jugendstil and the Sezessionen. Ends Sep 1. Closed Sun.

PRAGUE

Convent of St Agnes of Bohemia Centenary reconstruction of the jubilee exhibition of 1891. Ends Oct 6. Closed Mon.

Convent of St George Ancient Chinese art from the National Gallery collection. Ends Sep 15. Closed Mon.

Kinsky Palace Goya: exhibition

of sketches and drawings. Ends Sep 1. Closed Mon.

Friday August 2 1991

The push for peace

INCH BY INCH, the unwilling or just deeply suspicious participants to an Arab-Israeli peace conference are being nudged closer to the table. Presidents Bush and Gorbachev added their important authority to the intense negotiations on Wednesday when they formally announced their intention to work towards a co-sponsored conference in October.

Last night, Mr. Yitzhak Shamir, Israel's prime minister, said that his country would attend the conference, provided that no Palestinians from either east Jerusalem or from the Palestine Liberation Organisation are seated at the table. If that is the last remaining procedural hurdle to be overcome in order to seize an opportunity to convene talks on one of the world's most intractable disputes then it must be surmounted quickly.

The Arab nations which have in the past borne heavy responsibility for failing to respond to peace efforts are on this occasion prepared to talk. The logjam of hostility broken by the late President Anwar Sadat of Egypt when he travelled to Jerusalem in 1977 has again been breached, this time by President Assad of Syria.

Syrian move

The history of Syria under Mr. Assad might not seem encouraging to those hoping for peace. But the change in the world balance of power created by the rapprochement between the superpowers, brought home most emphatically in the Middle East by the multinational effort to force Iraq to leave Kuwait, has left the Syrian regime with few choices. Mr. Assad no longer has the option of going to war, and may indeed be worried about his own defence. He certainly wants negotiations and may actually desire a peace treaty.

Jordan has said it will attend a conference, as will Lebanon with Saudi Arabia representing the Gulf states. Which leaves the one issue of who speaks for the Palestinians, whose plight is at the very heart of the conflict.

Israel will not talk to anyone who is not a recognised member of the Palestine Liberation Organisation, although that is the

body recognised by the Arab nations as the sole legitimate representative of the Palestinian people. Israel is equally adamant that it will not tolerate a Palestinian from east Jerusalem, because that is territory it annexed after occupying the West Bank and Gaza in the 1967 war with Jordan, Syria and Egypt. The international community does not recognise the annexation and considers Arab east Jerusalem to be part of the occupied territories as defined in UN Resolutions 242 and 338.

Israeli position

It is difficult to believe that Israel, which has for the past 40 years sought direct negotiations with its Arab neighbours, would, at such a propitious moment, turn down the chance because a single Palestinian representative, attending as part of a joint delegation with Jordan, was from east Jerusalem.

While expressing Israel's readiness to attend a conference, Mr. Shamir has dampened prospects for progress on the substantive issues. There is, he said, no possibility that Israel will exchange any of the occupied territories for peace.

The Israeli negotiating position is merely that it will trade peace for peace. It is a measure of the Arab willingness to negotiate that even on such unpromising terms Mr. Shamir's invitations have been accepted.

Having got so far down the road, and with so few other options, the Palestinians should be very careful about not being manoeuvred into a position where they could be accused of sabotaging the conference. The best hope for Palestinians must be that ultimately Mr. Bush's sense of justice and fairness will push Israel into making concessions, especially as there is so much Israel wants from Washington.

To this end, the sacrificing of innovative techniques of negotiation and procedural point matters less than the objective which might eventually be achieved.

The trauma of the past 12 months, marked by the anniversary of the invasion of Kuwait, have encouraged the US and the Soviet to make this determined effort for peace. The opportunity must not be lost.

A fudged EC cars deal

SINCE negotiations began on the future of Japanese car sales in the European Community, Brussels has been less than forthcoming in bridging the differences with Japan than those between EC governments. To have clinched a deal in which all sides claim to have prevailed is no mean feat. The problem is that the fudged compromise used to achieve this may simply be storing up bigger problems for the future.

The deal obliges the five EC countries with national curbs on Japanese car imports to eliminate them from 1993. In return, Japan will "monitor" that it restricts its direct exports until 1999, after which they will supposedly enjoy free access to the Community market. Beyond that, little is clear.

No formal ceilings have been spelled out for Japanese imports during the so-called transition period. And though Japan appears to have accepted a quota for 1999 close to last year's level, this is said in Brussels merely to be a "point of reference" not a firm commitment to achieve a particular outcome.

What will actually happen is hard to predict. The most probable result is that the deal will be subject to continual re-negotiation, with Brussels and Tokyo haggling over each year's import quota. That is a huge hostage to fortune, which leaves Brussels open to intense lobbying by inefficient European producers and national governments intent on securing the strictest possible quotas. However, the protection afforded by such measures is likely to prove largely illusory.

Higher prices

US experience suggests that import limits will simply encourage Japanese carmakers to raise prices - to the detriment of the consumer - while stepping up production at "transplants" in the EC.

These facilities have been a point of fierce contention during the negotiations. Once again, Brussels has fudged the issue. While eschewing formal controls on transplants, it has reached a private "understanding" with Tokyo that their output will grow no faster than currently planned. That has apparently pleased the UK, home to most of the trans-

plants. But will it satisfy French and Italian carmakers, which have sought to restrict transplant capacity?

There is a danger that, in a tough market, pressure for EC controls on Japanese inward investments could re-surface, with damaging consequences for the world trade system and for the European car industry. As the EC-Japan deal is currently conceived, competition from the transplants will be the main source of direct pressure on European carmakers to match Japanese industry standards.

Market upheaval

The challenge is no longer simply to equal Japanese manufacturing costs over long model runs. It is to respond to a chain-reaction of upheavals which is reshaping world car markets. Fragmenting demand means growth will depend increasingly on differentiating products by rapidly turning out low-volume niche models, as the Japanese are already doing. But European carmakers have yet to master the innovative techniques of integration in EC car markets by enabling manufacturers to dictate the channels through which they sell. The result has been to entrench an anachronistic system of under-capitalised and inefficient retail outlets with little incentive to compete on customer service.

In Britain, the system is already being investigated by the Monopolies and Mergers Commission, while Brussels is due to review by 1995 the block exemption of car distribution from EC competition rules.

The importance of these inquiries is increased by this week's EC-Japan deal. The biggest danger is that it will perpetuate complacency in an industry long addicted to subsidies and trade protection. The blunting of competition originating from outside the Community is all the more reason to step up efforts to eliminate barriers which frustrate competition inside its borders.

In the run-up to 1997, Hong Kong should seek to forge links with Beijing, says John Elliott

Where will history judge that the decline of British rule in Hong Kong really started? Will it be the moment, earlier this year, when

Cathy Pacific, the colony's airline, started painting over the Union Jack on the tail fins of its aircraft?

Or will it be the ground-breaking agreement on Hong Kong's proposed international airport which virtually guarantees China a growing say in the colony's affairs? Or is it possible that Britain will be seen to have ruled effectively until China formally takes over in 1997?

The writing was certainly on the wall earlier last month when a group of local depositors in the collapsed Bank of Credit and Commerce International marched to Beijing's de facto consulate and asked for China's help, saying their "British rulers" in Hong Kong were powerless. (They left empty-handed). The bank, shut down by the Bank of England in a worldwide move on July 5, is now the subject of criminal proceedings in the US; indictments have also been brought against its founder and former chief operating officer.

The real decline of British rule in Hong Kong began, of course, in the late 1970s when Britain, egged on by nervous businessmen, panicked about the expiry dates of leases on a large part of the colony. They made nervous approaches to Beijing which led to a Sino-British agreement in 1984 that the Union Jack would be officially lowered on June 30 1997.

That will be a unique event: a free-wheeling capitalist society will become part of what is now the world's largest Communist dictatorship. Hong Kong will be extremely vulnerable because although it is seen as an international financial centre it is primarily a service economy from which money can be moved away via the touch of a button on a computer screen.

It is sure to survive, however, as a prosperous though less glittery enclave of enclaves for China. But will it be much more? That will depend primarily on how it copes with the years until 1997: local political tensions are expected to become more entrenched, domestic and international confidence could become shaky, and there is a real risk of rapid economic decline. Already the place feels beleaguered. There is a massive exodus of some 80,000 or more people a year seeking the insurance of foreign passports, plus a corporate exodus of companies seeking the protection of overseas investments, legal domiciles, and stock market listings.

Street protests have mushroomed in a society that has remained politically docile until now. Violent crime has escalated. Some foreign business communities have become uneasy and have attacked the government: the local US consul-general and the American Chamber of Commerce, for exam-

Time to tame the dragon



ple, have criticised the government's tortuous relationship with China, its education policy, the way it has allowed English language standards to decline and the colony's image abroad to worsen.

But the more serious problem is that it is now clear that China has no intention of fully honouring the spirit - nor probably the letter - of the 1984 Sino-British Joint Declaration which paves the way for the hand-over of power in 1997 and pledges Hong Kong a "high degree of autonomy" over its economic, social and political affairs.

Three years ago the worst that many people expected was that Hong Kong's efficiency would be reduced in 1997 by interference from sometimes corrupt Chinese bureaucrats. But Beijing's Tiananmen Square crisis of June 1989 triggered crucial changes in China's attitude.

After the routing of pro-democracy protesters by soldiers of the People's Army, China became deeply suspicious of Hong Kong because the colony openly supported the student demonstrators. In the eyes of Beijing's hardliners, for instance Mr. Li Peng, the prime minister, Hong Kong was

Hong Kong has only one option in dealing with China: to try to build something approaching a partnership

no longer simply an economic asset: it had become a centre for challenging the Communist regime.

Since 1989, Beijing has used every opportunity to interfere, to establish its authority, to belittle the Hong Kong administration, and to bring the UK into line. It has seemed as if Mr. Li Peng has been wreaking vengeance on Hong Kong because of the marches who personally vilified him two years ago. Some diplomats suspect that, in addition, China has an historic desire to humiliate the UK and avenge the Opium wars of the 1800s and the "unequal treaties" that originally gave the British authority over Hong Kong.

This tendency was most pronounced in the wrangling over the colony's proposed HK\$100bn international airport which the Hong Kong government hoped to build without involving Beijing. The size and expense of the project was questioned by Beijing. China gradually moved in and allowed aside an unco-operative Hong Kong government before reaching a compromise with Britain's

month ago that institutionalises its continuing influence.

As a result it is now clear that China intends to ensure it has a powerful voice in how Hong Kong is run. This is partly to protect itself politically against so-called "subversion" and to ensure that the basic wealth of Hong Kong is not stripped away by Britain before 1997. It is also a way of emphasising that Hong Kong is part of China and that it must earn its "high degree of autonomy" by showing due respect and concern for Beijing's views.

Hong Kong therefore has only one option in dealing with China: to accept the reality of 1997 and to try to build something approaching a partnership. That is the lesson of the past three years, but it is not an easy one for the British and, especially, the Hong Kong government, to learn.

British colonial pride is at stake and some senior Hong Kong civil servants (both expatriate and local) abhor the idea of sharing power with Beijing.

The arguments are, however, stacked in favour of China. First, it will be taking the colony back in fewer than six years and thus has an interest in projects and policies started during that time.

Second, it can exert a vice-like grip because Hong Kong can no longer function independently. For years the colony has relied on its neighbour for essential water and food, and recently its economy has become inextricably linked with that of southern China. Companies and international financial institutions now want to be sure of China's support before they agree to enter commercial deals, such as the airport, which "straddles" 1997. Its assistance is even needed to tackle the crime wave which is heavily backed by guns and gangs from its southern provinces.

Third, China's indirect power and influence within Hong Kong, both political and commercial, is immense and growing rapidly. It will be supporting a raft of pro-Beijing candidates in Legislative Council elections in September. There are more than 1,500 Chinese companies operating in Hong Kong, including corporations such as China International Trust and Investment Corporation and China Resources which are taking key stakes in infrastructure projects such as docks, telecommunications, and airlines with an estimated total investment of more than HK\$300m.

Fourth, neither Hong Kong's ethnic Chinese community, nor its businessmen (expatriate or local), are interested in such debilitating battles as the recent airport row. They are primarily motivated by making money and their basic interest is to be left

alone to do just that.

There are, therefore, powerful reasons why Hong Kong should co-operate with China, but it will not be easy. China's officials do not begin to understand Hong Kong's burgeoning free market capitalism, which is based on fast decisions and instant deals. Many regard the colony as a cash cow, ripe for exploitation. In the past year a large number of Mercedes and other cars have been stolen in Hong Kong and smuggled to the mainland. There are widespread reports that Chinese corporations are using inside political information about the airport deal to speculate on the stock and futures markets.

But the main barrier to co-operation rests within the Hong Kong government itself. It looks negative and defensive, especially about the seeming inevitability of its authority waning as 1997 approaches. Its image at home and overseas is poor, partly because it has been constantly out-manoeuvred by China.

It has stressed that the only way to maintain authority is to be seen to be governing unilaterally, which means keeping China out of Hong Kong's affairs as far as possible. The airport

The final years of British rule will therefore not be smooth and indeed are likely to get rougher as insecurity mounts

fiasco has proved that this approach was self-defeating.

Some senior British diplomats and local civil servants now accept that to continue on such a course would lead to more debilitating battles and defeats and could seriously undermine, rather than strengthen, the Hong Kong administration. China would retaliate by insisting on negotiating direct with London, as it did on the airport.

The alternative approach of seeking China's co-operation could enhance the government's authority because it should reduce Beijing's sensitivities and its interest in confrontation. It would have to be managed carefully, however, to avoid looking as though the Hong Kong government was cowering to China.

Such a strategy would require a degree of trust that is absent at present. It is hard to find many British diplomats or officials who even respect China's officials, let alone trust them - and the same is almost certainly true on the other side. The history of confrontation, stemming

from British colonial triumphs and China's consequent loss of face, is too great for it to be otherwise.

Hong Kong's government also faces other problems with its authority. Next month the Legislative Council will be partially opened to directly elected members who will inevitably criticise rather than support the government. This will, in effect, institutionalise the council's emerging role as a centre of opposition to the executive. There is no governing or whip system to propagate policy and exert some parliamentary discipline. The opposition will not even have the constraint common to oppositions in democracies, which must assume that one day they will have to shoulder government responsibility. In Hong Kong the opposition cannot come to power because most authority rests with the executive under arrangements agreed last year with China.

The nearest thing to a government party will be the colony's three top civil servants plus a clutch of appointed members who do not have the same popular appeal as the elected members and who feel bound sometimes to show some independence by being openly critical.

Compounding the problem is the fact that prominent local people who intend to stay on after 1997 have little to gain by openly supporting the present administration or by becoming involved in public affairs. There is, on the other hand, considerable mileage for them in establishing links and loyalty with Beijing, which can then exploit them in confrontations with the Hong Kong government.

The final years of British rule will therefore not be smooth and indeed are likely to get rougher as insecurity mounts. More people will leave and already low morale will worsen in the civil service and police.

The worst scenario would be a collapse of government authority and some move for China to take over early. That would be an enormous setback for the UK - and it might not be favoured by China which probably wants a symbolic handover in 1997.

The best scenario would be for some changes in Beijing's attitude which might lead China to adopt a more relaxed approach and would make it easier for Hong Kong to co-operate with its future rulers. Then the decline of British authority and eventual lowering of the Union Jack would not be so traumatic as it might otherwise become.

After a three-year posting in Hong Kong, John Elliott is leaving the Financial Times to take up a post as public affairs adviser to the Hong Kong government.

Trinity's choice

For the first time in over 400 years Trinity College, Cambridge, has hired an outsider to manage its secret fortune.

Worse, it has had to import an Oxford man for the job.

John Bradfield, Trinity's senior bursar for nearly four decades, plays down the significance of the change. His replacement - Barings's Jeremy Fairbrother - comes from an academic family, and the powers that be at Trinity seem more impressed by the fact that Fairbrother got a first and a doctorate in chemistry, than his money-management skills. "Not that these should be underestimated. After all if they were good enough for the Saudi Arabian Monetary Agency, where he was seconded for eight years, then they ought to pass muster with Trinity's investment funds."

At Sama he overlapped with David Mulford, the current US Treasury under-secretary for international affairs, and was responsible for investing a fortune even bigger than Trinity's.

The 52-year-old Fairbrother should fit in well. Like Bradfield, he much prefers Cambridge to London, and will not upset College decor by importing a high-tech Quotron screen so he can monitor Trinity's investment minute by minute.

Yes, he will have to take a salary cut. But there's the compensation of a "large psychic income", he says. Doesn't sound like another J.M. Keynes, to me.

Pain for Norman

Shed a tear for Norman Lamont. Battered by recession, beset by gloomy CBI forecasts, the chancellor of the exchequer now finds that one of his rivals for his Kingston-on-Thames seat at the election will be Lindz Drew, nude model turned editor of *Penthouse* magazine.

OBSERVER

She is contesting Kingston for the Conservative Party, the new force in British politics established by Lindz St. Clair, once familiarly known as Miss Whiplash. The party wants changes in Britain's censorship laws coupled with stronger civil liberties and animal rights, and will field upwards of 50 candidates at the polls.

"It's good publicity standing against such a senior government figure," says Lindz who'll be campaigning for reform of Britain's pornography laws. "Why can't adults buy freely the kind of adult stuff that's sold in Holland or Spain? It's a typical British repression. We in the Conservative Party are very serious about such things. People get the idea 'Corrective' is about whipping and such things. In fact it means we want to put things right."

Just supposing she managed to overturn Lamont's 11,126 majority, and her party held power. What would she do?

The answer comes past. "Decriminalise prostitution, open licensed brothels, legalise cannabis, lower the age of homosexual consent, concentrate on welfare not warfare, and allow adult material to be freely sold."

Norman, take note.

Stabiliser

David Kendall, the ex-BP man who has been guarding the Buzul shop since hyper-acquisitive Jim White left abruptly last November, is rather coy about why his company has taken even longer than Cookson to find a new chief executive. Clearly, there were a few false starts, and the pay-package on offer did not match White's £400,000-plus.

However, Buzul seems to have finally bagged a solid managerial sort in 44-year-old Tony Hagbord, a former management consultant. Not that the new man has a lot of chief



"I had no idea you were a boxer."

executive experience under his belt - only seven weeks after he became boss of Tootal, up came a bid and 10 more weeks later he was looking for another job.

True, he seemed to do a fairly well in speeding a high price out of Coats Viyella. But Tootal is a smaller company than Buzul and despite a surfeit of professional managers, never seemed to capture the stock market's enthusiasm.

Kendall, who depicts himself as working nine days a week since White left, says he'll continue as a Buzul's non-executive chairman, and adds: "We have switched off the acquisition machine and stabilised the company."

He is now open to job offers himself.

Bastion saved

Plus ça change.... The old man has again been upheld by the French with a neat nomenclature shuffle to neutralise a European Commission attack on their defence against

Irish mush

Interesting if somewhat confusing reading in the latest annual report of US food giant Heinz. Irish American company tycoon Tony O'Reilly talks of Helix's concern for the environment and what he calls its contract with humanity. "The symmetry of our imaginary contract can be dismayed by the logic of human need. That logic questions how to honor a contract to go 'green' if the family budget and corporate bottom line could go 'red' for the sake of it." Quite so.

THE KARAVANKA TUNNEL

A great engineering feat was completed on June 1, 1991 when nearly 2000 m. of a high Karavanka alpine mountain range separating Slovenia from Austria allowed a free traffic flow between the two countries.

A ceremony on the first of June 1991, officially declared the 7,864 m. long road tunnel open and was headed over by SCT's main contractor the Yugoslav part, jointly with its Austrian counterpart Pöschner & Zöfner.

During the five years of construction, builders of both countries overcame great difficulties in the construction, which in many aspects was the hardest to build tunnel in the Alps. The work was constantly interrupted by mudslides and water in-rushes and rock pressure. Nevertheless, they succeeded on schedule to join the two countries with an extremely modern tunnel, equipped with the latest ventilation, monitoring and security systems.

At both ends of the tunnel, extensive platforms have been constructed with border facilities providing some 10,000 daily passengers with the required services, including tourist facilities.

SCT, Therna 38, 61000 Ljubljana; tel: 31483 ext 747
Tel: (386) 319 494, (61) 310 445; Fax: (61) 319 389

FINANCIAL TIMES FRIDAY AUGUST 2 1991

Motor industry

Motor industry was hit by the effect of falling prices and the number of cars sold in the UK fell by 1.9% in July 1991. The industry is likely to be hit by the EC in 1992, when a new agreement on car sales will come into effect.

Japan

The Japanese economy is expected to grow by 3.5% in 1991. The Japanese government is expected to announce a new budget in September. The Japanese government is expected to announce a new budget in September.

Italy

Italy's economy is expected to grow by 2.5% in 1991. The Italian government is expected to announce a new budget in September. The Italian government is expected to announce a new budget in September.

Weaknesses of performance

The weaknesses of performance are expected to be a major issue in the 1991 election. The weaknesses of performance are expected to be a major issue in the 1991 election.

Much of the European motor industry was left peering through a cloud of exhaust smoke yesterday, trying to determine the exact nature of an agreement limiting Japanese car sales in the EC.

At first glance the long-sought and much-hailed agreement has the effect of limiting to about 2.63m the number of cars Japan is likely to be selling in the EC in 1999, when a seven-year transitional period towards a completely open market runs out.

That global figure is for cars from all sources, including EC-based Japanese "transplants", and would give Japanese cars a total market share of just over 15 per cent in 1999 on the basis of an estimated 15.1m EC cars.

However, on closer examination the agreement provides an unrestricted market for EC-produced cars, and expresses merely the "expectation" that EC production of Japanese cars will not exceed 1.2m at the expiry of the transition period.

As far as limiting imports to the EC from Japan itself, it provides only for Japan to "monitor" exports to the EC as a whole in accordance with a level of exports in 1990 of 1.22m.

It is in the fact that "subsidies" are being levied on cars from Japan that there have previously been bilateral restrictions on Japanese imports, and the scene appears set for much of a comprehensive agreement but for wrangling over special pleading for much of the transition period.

Ironically, the wrangling is likely to be not so much between Europe and Japan, as between those countries with a vested interest in EC-built Japanese cars having the same possible market access as those from Japan.

Notably the UK and Spain - and those, such as France and Italy, which have heavily protected markets and a strong incentive to keep Japanese cars out.

Mr Raymond Levy, chairman of Renault and head of the ACRA, the European manufacturers' group, has warned that 200,000 jobs are at risk in the EC car industry.

The principal elements of the agreement were outlined by Mr Frans Andriessen, EC external relations and trade commissioner, and Mr Eichi Nakano, Japan's international trade minister, on Wednesday evening.

"The positive thing in this agreement is that the market will be open," one Brussels official said yesterday. "It's not managed trade. We achieve [the open market] not just by switching [it] on, but progressively, controlling the market."

could be a authority to take an enormous risk which might be over in 1991, would be the head of the Chinese approach to Hong Kong future rule book of the automatic.

ing in the leaving a up a past the Hong Kong

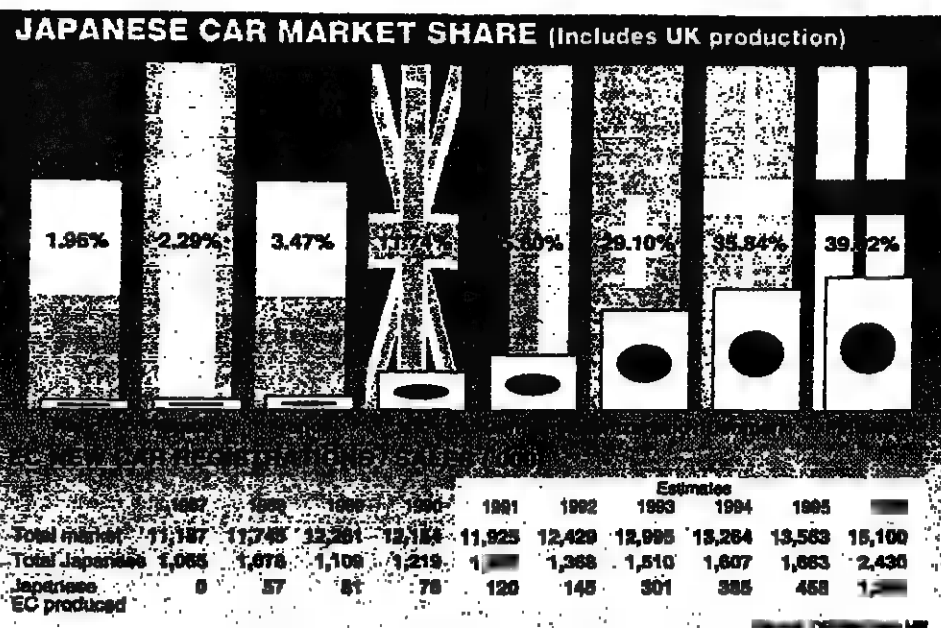
been nearly to Shreve. 7,850 m. 12 with the

counting my capital work was economic with calculation.

19

Car sales charter for a good citizen

John Griffiths and Andrew Hill on the limitations of an agreement between the EC and Japan



The impression given in Brussels yesterday was that the principle of the agreement was more important than the details. Nevertheless, written assumptions of demand and export levels were set out in the agreement.

The French level of demand for cars from Japan in 1999 is 150,000 for France, 138,000 for Italy, 120,000 for the UK, 79,000 for Spain and 10,000 for Portugal.

"Today it's useful for the French and the Italians to be able to say that the Japanese market penetration won't be more than 8 or 9 per cent (in their own respective markets) by the end of the decade," said one official.

On the vexed question of transplants - cars made in the EC by Japanese companies - Mr Andriessen said two days ago that the Commission assumed the output of such vehicles would rise gradually to 1.2m by 1999. But he reaffirmed that there was no relation between transplants and imports. EC officials say they believe, in any case, that the 1.2m figure will easily allow enough room for Japanese manufacturers to expand production in the EC without

exacerbating market pressure on Europe's prestige makers such as Mercedes, BMW and Audi - the last already under ominous Japanese

Such a scenario would act as an extra incentive to install additional capacity inside the UK to compete more effectively in the volume and economy sectors.

Thus, by 1999, the European industry could find itself with a higher volume of EC-based Japanese production than would otherwise have been the case, while at the same time having helped further to strengthen the Japanese companies' already prodigious balance sheet as a result of the restricted competition.

That is not a scenario likely to be welcomed by consumers. An analysis believes, will it do much to prevent what is widely regarded as an inevitable restructuring of the European industry.

The issue of the "transplants" seems to have been mostly in the UK's favour. It is just as well that it did because failure to have agreed that circulation would have been a stain to have provoked a clash between the EC and Japan's Ministry of Trade and Industry.

Quite apart from the immediate questions of "transplant" numbers, it was a matter of crucial importance in the Japanese that no precedent be set which could affect long-term investment strategies.

Japanese manufacturers were keen to avoid such a clash, for while political resistance to trade liberalisation was running high in North America, where Japanese car makers have been found guilty of dumping minivans in a US market already suffering from recession.

Such measures are likely to be taken further over the next two years, and Japan had no wish to find itself fighting a car war on two fronts simultaneously through a car ban over the European transplants.

It is the wish to be seen as a relatively low-key European "good citizen" which, in the Tokyo industry say, makes the EC's stance of the French and Italian industries - that their cars could be early targets for the transplants - grounds.

"At the moment, we are in the position of a welcome investor, with understanding of our position. We cannot afford to be prejudiced that how we manage things in the next five years will be crucial," said one Toyota insider.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Joe Rogaly

Crowning silliness



This year's silly season has been heralded by a splattering of writings about the future of the British monarchy.

There are usually on the lines of "worry, Balmoral". Fewer people reverse the script, it is said.

There are several reasons for this. It is a widely reported fact that the Queen has a refund of tax paid on dividends arising from her huge private portfolio. Most people disapprove of this royal disinclination to pay tax.

Opinion polls are taken about whether the prince and princess of Wales would be the same bed; other (unreliable) reports are more ruder. Most people regard the royal family as a joke.

He is suspect to many on the right. His views are diametrically opposite, which makes them wacky, which makes them wacky.

These figures add up to a pile of manure. But in the end, it is the Crown and not they who rule, seem to be the silly season.

Our politicians, who have enormously more to say about the Crown than they do about the monarchy, are in the house of Windsor.

It is the wish to be seen as a relatively low-key European "good citizen" which, in the Tokyo industry say, makes the EC's stance of the French and Italian industries - that their cars could be early targets for the transplants - grounds.

"At the moment, we are in the position of a welcome investor, with understanding of our position. We cannot afford to be prejudiced that how we manage things in the next five years will be crucial," said one Toyota insider.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

officers are immune from proceedings for contempt of court. This was ruled by Mr Justice Simon Brown in the High Court last Friday.

Had immunity not existed, the Queen would have found that there had been a contempt by Mr Kenneth Baker, the home secretary, or official working in him. For Mr Baker is not a member of the royal family.

People, like a minister of the crown, are that absolute authority, immigration officers had deported a man from Zaire who had been seeking political asylum in Britain. This putative refugee was sitting on an aircraft at Heathrow when the judge suspended the deportation order. There was just enough time to pull him off the plane, but not to do so.

Hence the *de facto* contempt. Mr Baker's immunity is nothing compared to the mountain of prerogatives

questioning does not come into it. Presidential appointments in the US must be fought through the Senate, and not all of them succeed. There is no equivalent here. The Queen is worst in Scotland, Northern Ireland and Wales, where the Queen's name, appoint virtually every officer acting in the Queen's name, appoint virtually every officer acting in the Queen's name.

The Labour party has undertaken to "reduce the power" of ministerial patronage by making all major public appointments subject to scrutiny by the relevant parliamentary select committee. It also promises to curb the "arbitrary" use of the royal prerogative and thus "legitimise" the process which would otherwise be contrary to law.

These are quarter-measures, but they outweigh the Conservative apparent willingness to carry on dispensing patronage and ministerial edicts without restraint, all in the Queen's name. In my view the Labour party would be better advised to make a republic; the best would be the establishment of a new constitutional monarchy - a crown which would be limited to that of expressing the national desire for pomp and ceremony. Labour's proposals would constitute a step in that direction.

There is little doubt that a republic would be a step in the direction of the overwhelming majority of the population. A quarter of the respondents in a recent Gallup poll in the Daily Telegraph may be potential republicans, but three-quarters are not. More to the point, only 8 per cent disagree with the proposition that the royal family "is a terrible attraction and revulsion". The use of maintaining the entire system should be borne by a British tourist attraction, with additional revenue from media companies whose publications use the royal family more than a pre-set number of times per week in any given member of the royal family. That way the crown would no longer be a pillar of the elective dictatorship that rules Britain. It would simply serve the national desire for ceremonial, dare-say silliness.

exercised by the government in the name of the crown. Mr Alan Turing, a thoughtful Labour MP, has pointed out that discussions on matters such as immigration control and freedom of movement within the European Community are covered, in the case of Britain's representative, by the royal prerogative. This means that the actions of the relevant ministers are not subject to scrutiny in parliament, unless the government chooses to make a statement.

The same extra-legal status is enjoyed by most ministers in their role as executives. The most remarkable feature of government without recourse to the elected representatives of the populace is of course the declaration of war. That remains a prerogative of the crown, not necessarily subject to a vote in the House of Commons. But much goes on in peacetime. Thousands of members of committees, boards, and other quangos owe their jobs to ministerial patronage. Parliamentary confirmation or

Our politicians, who have enormously more to say about the Crown than they do about the monarchy, are in the house of Windsor.

It is the wish to be seen as a relatively low-key European "good citizen" which, in the Tokyo industry say, makes the EC's stance of the French and Italian industries - that their cars could be early targets for the transplants - grounds.

"At the moment, we are in the position of a welcome investor, with understanding of our position. We cannot afford to be prejudiced that how we manage things in the next five years will be crucial," said one Toyota insider.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But if all the EC's markets were liberalised tomorrow, the big players such as Ford, Toyota and Honda would be limited in the ways they could exploit the advantage of it. Dealer networks could be built up overnight, and those in the EC's biggest markets, such as Germany, would be able to exploit the advantage of it.

Reaction from the Japanese industry was, as expected, relatively muted. Toyota, Japan's largest and the world's second largest car maker, said formally that it felt the agreed seven-year transitional period was still too long. But, with its 200,000-year car plant at Burnaston, Derbyshire, less than 18 months from going on stream, it also made clear its satisfaction with the agreed free circulation in the EC of the UK-built cars.

Inevitably, the Japanese producers take the view that unrestricted competition would be the most desirable option.

But

President calls for EC intervention in conflict between republics Croats facing defeat by Serbia

By Laura Silber in Zagreb

CROATIA'S president, Mr Franjo Tudjman, yesterday made an impassioned plea to defend himself against the charge that he was a "right-wing extremist" who would continue the war against Serbs in Croatia.

It was the first public admission that the president was facing a crisis at the hands of Serb nationalists.

Mr Tudjman warned that the republic must continue preparations for an all-out war if it cannot be averted.

The 90-minute speech, peppered with statements of Croatia's willingness to negotiate, was made at Croatia's parliament.

It heralded the sacking of Mr Ante Džodan, the interior minister, and Mr Vukobratović, the interior minister, who are both responsible for the republic's military strategy.

After their dismissal, Mr Tudjman moved them to the war cabinet. The division of power between the government and war cabinet is unclear.

Mr Tudjman, apparently desperately seeking an end to the civil war and killings and anxious to bring the government's public appeal, yesterday brought the Serbs into the war — but only as minor posts.

These elements of the Serb minority, which make up 12 per cent of the 4.7m population, do not want to remain in an independent Croatia.

Supported by Mr Slobodan Milošević, the president of Serbia, they have attacked Croat-inhabited villages in the republic.

More than 100 people have died since Croatia declared its independence on June 25. Out-

lining Croatia's defence options, Mr Tudjman ruled out demilitarisation, even though it would mean that Croatia favoured Serb Croats. He said that Serb extremists would continue attacking Croatia.

Mr Tudjman said the crisis in Croatia must be internationalised, and called for the intervention of the European Community.

Yesterday Croatian television said four people were killed and about 100 injured in a village on the Danube river, which marks the border with Serbia.

The fighting in central Croatia has killed about 2,000 people in the strife-torn area. More than 100,000 refugees have fled to Croatia.

In Germany, Mr Hans-Dietrich Genscher, the foreign minister, announced that the European Community should send an armed peacekeeping force to Yugoslavia.

"There are no such forces within the European Community and deploying them would require the approval of all parties in Yugoslavia. That is not the case at present," he said in a radio interview.

Mr Genscher was responding to a proposal by Volker Rühe, general secretary of Chancellor Helmut Kohl's Christian Democratic Union, that the EC should create a peace-keeping force.

Senior EC diplomats were in Belgrade last night to try to broker a ceasefire in Croatia which, Mr Milošević, declared independence from Yugoslavia on June 25.

Milošević's grip, Page 2



A poster of Croatian president Franjo Tudjman inspires a member of the national guard ready to confront the Serbs

Japanese MPs to set up securities probe

By Stefan Wagstyl in Tokyo

JAPAN'S ruling Liberal Democratic party and opposition parties yesterday agreed to set up a special parliamentary committee to investigate the country's securities market.

The move follows revelations this week by 17 Japanese stockbroking companies that they paid a total of ¥172bn (\$1.2bn) in bribes to politicians.

The scandal has shaken the country's financial system and led to the resignation of several politicians.

The committee will be headed by Mr Shin Kanemaru, an LDP leader and a former deputy prime minister.

Mr Kanemaru said that his second son, Mr Shingo Kanemaru, ran the company but he denied knowing about the compensation payments which totalled ¥21m. The money was paid by Daiwa Securities, a medium-sized broker.

The terms of the parliamentary investigation have yet to be set. MPs want to investigate the scandal further in order to prevent a recurrence.

company headed by a son of Mr Shin Kanemaru, an LDP leader and a former deputy prime minister.

Mr Kanemaru said that his second son, Mr Shingo Kanemaru, ran the company but he denied knowing about the compensation payments which totalled ¥21m. The money was paid by Daiwa Securities, a medium-sized broker.

The terms of the parliamentary investigation have yet to be set. MPs want to investigate the scandal further in order to prevent a recurrence.

from national securities companies. The move is more concerned with examining regulatory changes, including the possible establishment of a securities and futures commission. However, some MPs who feel the scandal may have run its course and that reforms are best left to the Finance Ministry.

In spite of yesterday's revelation about the company of Mr Kanemaru's son, politicians have no intention of resigning their names out of the affair — even though it is widely known that many leading MPs have had very close links with brokers in recent years and made large amounts of money from stock trading.

Meanwhile, the Kaidanren employers' association told companies which had received compensation to decide how to explain the money to the public. In effect, the Kaidanren ducked responsibility for paying any of its members.

Some companies have admitted receiving compensation but others have not, claiming that they did not know the nature of payments they had received from brokerages.

had very close links with brokers in recent years and made large amounts of money from stock trading.

Meanwhile, the Kaidanren employers' association told companies which had received compensation to decide how to explain the money to the public. In effect, the Kaidanren ducked responsibility for paying any of its members.

Some companies have admitted receiving compensation but others have not, claiming that they did not know the nature of payments they had received from brokerages.

US index shows manufacturing revival

By Michael Pinner in Washington

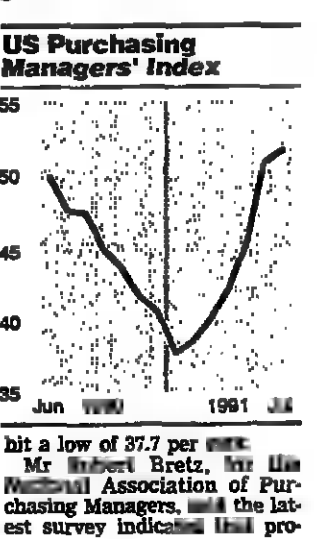
FURTHER evidence of a revival in US manufacturing was a drop in the unemployment insurance claimant rate yesterday, which helped dispel fears that the recovery would peter out.

The Purchasing Managers' Index — a closely watched gauge of industrial health — rose to 51.8 per cent in July, compared with 50.9 per cent in June.

The second consecutive monthly reading above 50 per cent — the level 50 indicates the manufacturing industry is expanding — suggests industrial production will continue to expand in the third quarter.

The index was up 0.5 per cent in May last year, but fell 0.1 per cent in June.

Purchasing managers have grown steadily more optimistic since January, when the index



duction rose sharply last month.

The growth of new orders, however, was not as rapid as in May and June. But with inventories low, "the economy should continue to grow at a moderate, if not robust, pace over the coming ahead".

Indices measuring new orders and new orders backlog remained well above 50 per cent. They did indicate expansion, but at a slightly slower rate than in previous months.

The survey showed price pressures moderating for the second consecutive month. Inventories fell in July, although at a slower rate than previously, suggesting that demand growth may soon be supported by a rebuilding of industrial stocks.

Separate figures yesterday showed a sharp drop in initial claims for unemployment insurance in the third week of July.

The decline, which follows an unexpected increase in the previous two weeks, should help allay fears that labour market conditions are deteriorating. Claims are now running at a weekly rate of just over 400,000 compared with a peak of about 540,000 last March.

Construction spending rose 0.3 per cent in June to a seasonally adjusted annual rate of \$11.5bn. Recent figures suggest that the Japanese market may be beginning to lead out after sharp falls in the quarter ended early last year. However, spending is still 11 per cent below the level of last June.

EBRD chief ignites battle for equal salaries in Washington

By Peter Riddell, US Editor, in Washington

Jacques Attali, president of the European Bank for Reconstruction and Development, has ignited a furious battle in Washington. This time it concerns a battle for pay comparability between the heads of the main international financial institutions.

At present the heads of the International Monetary Fund and the World Bank each receive \$200,000 a year in basic salary and \$100,000 in allowances. But Mr Attali, head of the new and much smaller organisation, is being paid a sterling equivalent of \$250,000.

There is a Gallic twist to both Mr Michel Camdessus, IMF managing director, and Mr

Attali are French, though the former is older and more experienced. Mr Attali's salary emerged, there was a French-led campaign to raise Mr Camdessus's salary to the same level, with a consequent increase in the pay of the World Bank president. Their pay was last fixed three years ago and an increase of 16 per cent would have covered inflation.

The executive board of the IMF yesterday approved a 28 per cent increase in Mr Camdessus's pay, bringing him up to Mr Attali's level. The bank board was last night considering a similar rise for Mr Barber Conable, who is retiring as president of the World Bank.

Many American shareholders, including the US, oppose the scale of the increase, which is embarrassing at a time when the proposed IMF per cent increase in IMF resources as quotas is already in trouble in the US Congress.

The argument has also not helped Mr Camdessus's chances of winning a further period as managing director after his current term runs out at the end of this year.

At the IMF, finance ministers of member governments approve the managing director's basic salary, which is equivalent to two-thirds of the overall package, and the allowance is fixed by the executive board.

an-Palestinian representation and on the exclusion of anyone linked to the PLO. The Liberation Organisation or its representatives in the eastern half of Jerusalem, while the Palestinians say it is up to them to choose their own delegates.

Last night Mrs Shimon Peres, one of Mr Baker's Palestinian interlocutors, rejected Mr Shamir's statement as irrelevant. "A yes with conditions is a 'no' in fact," she said. "The Palestinians insist on choosing their own delegates in talks."

There were no immediate signs that Mr Shamir's qualified acceptance of the US plan was threatening the right-wing coalition government ahead of the cabinet meeting on

WORLDWIDE WEATHER

Location	Temp	Wind	Cloud	Humidity	Pressure	Visibility	Notes
Amsterdam	12	10	100	95	1012	10	
Berlin	10	10	100	95	1012	10	
Bombay	28	10	100	85	1012	10	
Buenos Aires	18	10	100	85	1012	10	
Calcutta	30	10	100	85	1012	10	
Cairo	28	10	100	85	1012	10	
Colon	28	10	100	85	1012	10	
Hong Kong	28	10	100	85	1012	10	
London	12	10	100	95	1012	10	
Los Angeles	18	10	100	85	1012	10	
Lyons	10	10	100	95	1012	10	
Manila	28	10	100	85	1012	10	
Medan	28	10	100	85	1012	10	
Mumbai	28	10	100	85	1012	10	
Nairobi	20	10	100	85	1012	10	
Paris	10	10	100	95	1012	10	
Rangoon	28	10	100	85	1012	10	
San Francisco	18	10	100	85	1012	10	
Singapore	28	10	100	85	1012	10	
Tokyo	20	10	100	85	1012	10	
Yokohama	20	10	100	85	1012	10	

Temperatures at midday yesterday. C-Celsius. F-Fahrenheit. W-Wind. S-Sun. M-Moon. P-Partly. B-Break. T-Thunder.

European military intervention 'might be needed'

By Our Foreign Editor

EUROPEAN military intervention might be needed to stop the partition of Yugoslavia, Mr Jacques Pöös, Luxembourg's foreign minister said yesterday.

Speaking on British television, he said: "We have to try to stop it because partition is not a solution — because if it starts in Croatia, it will continue, all the internal and external borders of Yugoslavia will be put in question."

"We might need to consider some military intervention forces," Mr Pöös, one of three European foreign ministers who arrived in Zagreb yesterday, told Channel Four news.

Mr Pöös, with Mr Hans van den Broek of the Netherlands and Mr João de Deus Pinheiro of Portugal, will join an advance EC team which arrived in Croatia's capital Zagreb on Wednesday.

Diplomats said the European Community, which last month mediated a ceasefire in Slovenia, another breakaway republic and Croatia's neighbour, was determined to go ahead with the trip in spite of the lack of progress in initial efforts to convene peace talks this week.

Some 200 people have been killed in Yugoslavia since Croatia and neighbouring Slovenia declared independence.

Asked if his political hosts had the power to negotiate a ceasefire, Mr Pöös said: "No, we have no guarantee our mission succeeds."

"We have to try again and again."

Yugoslavia, he said, was a European country and it was a European responsibility to "try hard to bring the peace".

He was bringing the main presidents of the republics around the table and to try to convince them of the killing."

The Community has offered to expand from 50 to as many as 150 the number of ceasefire observers in Yugoslavia if the warring parties agree on a ceasefire.

Saudis and Kuwaitis owe \$7.5bn

Continued from Page 1

amount was payable in dollars in itself, while Japan has interpreted the amount as being in yen (worth rather less in dollars now because of the yen's fall). The Japanese government said it was a coalition partners. While Japan made a payment to cover part of the difference, there remained a gap of \$7.5bn.

However, at a meeting three weeks ago with Mr Toshiki Kaifu, the Japanese prime minister, President George Bush said any difference had been resolved.

But several leading businessmen have been critical of the administration for forgiving the Japanese debt. They say that adequate consultation. This has undermined Congressional criticism of Japan in comparison to other foreign contributors who as Germany which have paid in full.

Separate figures yesterday showed a sharp drop in initial claims for unemployment insurance in the third week of July.

The decline, which follows an unexpected increase in the previous two weeks, should help allay fears that labour market conditions are deteriorating. Claims are now running at a weekly rate of just over 400,000 compared with a peak of about 540,000 last March.

Construction spending rose 0.3 per cent in June to a seasonally adjusted annual rate of \$11.5bn. Recent figures suggest that the Japanese market may be beginning to lead out after sharp falls in the quarter ended early last year. However, spending is still 11 per cent below the level of last June.

Israelis agree to peace talks — with conditions

Continued from Page 1

on joint Israeli-Palestinian representation and on the exclusion of anyone linked to the PLO. The Liberation Organisation or its representatives in the eastern half of Jerusalem, while the Palestinians say it is up to them to choose their own delegates.

Last night Mrs Shimon Peres, one of Mr Baker's Palestinian interlocutors, rejected Mr Shamir's statement as irrelevant. "A yes with conditions is a 'no' in fact," she said. "The Palestinians insist on choosing their own delegates in talks."

There were no immediate signs that Mr Shamir's qualified acceptance of the US plan was threatening the right-wing coalition government ahead of the cabinet meeting on

Barclays in the dog days

THE LEX COLUMN

Taken with Lloyds' results last week, Barclays' interim figures show the UK clearing banks warning to a defensive theme. Profits in this year's first half may look dreadful compared with the same time last year. But since they are better than the truly awful results in last year's second half, the pattern is really one of V-shaped recovery.

In Lloyds' case, there may be something in this. For Barclays, the trouble is that its thumping \$800m bad debt charge is expected to be repeated in the second half. And whereas Lloyds' increased dividend was covered 2.7 times, Barclays' mere 1.5 cover suggests that, if anything, it is being too liberal in holding its payment unchanged.

Barclays is also lagging in the crucial matter of cost control. Granted, the UK banking operation still claims to be on target for \$,000 job losses within the year. This is at least consistent with the chairman's bullish view on the economic outlook. Repeated on a national scale, the notion of people being transferred from the payroll to the bad debts register is not a recipe for a consumer-led recovery.

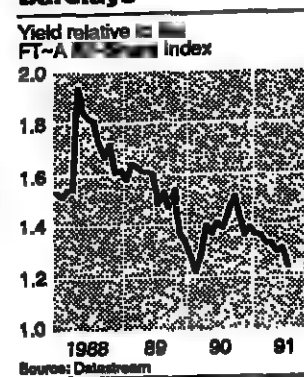
The wider picture aside, the divisional performance is decidedly patchy, with the strong recovery at BZW swamped by the plunge at the combined £113m by Mercantile and the £113m operation. For the shares, the discount against its rival, which Mercury has attracted.

The dilemma for Mercury is how far it follows the BT lead, and how far it risks narrowing the discount against its rival. The unanswered question for BT is how far it can replace the lost revenues with higher volumes. Stand by for lions to ring Australia, and not just on Christmas Day.

FT-SE Index: 2,591.7 (+2.9)

Barclays

Yield relative to the FT-SE 100 Index



Source: Datastream

20 per cent on transatlantic routes will give Mercury plenty to think about, the company has conceded itself with reductions of less than 10 per cent in the price of calls to several European countries where its competitor has a healthy market share. Local national calls, on its side, have been raised by a per cent, which gives BT the scope to make its new volume discounts attractive to medium-sized Mercury recruits as well as the large firms which Mercury has attracted.

The dilemma for Mercury is how far it follows the BT lead, and how far it risks narrowing the discount against its rival. The unanswered question for BT is how far it can replace the lost revenues with higher volumes. Stand by for lions to ring Australia, and not just on Christmas Day.

TI Group

TI's last report and accounts vividly illustrated how tangible engineering assets like factories and land are being converted to the dustbin of history. While the group's earnings per share under Mr Lewington's stewardship as chairman increased by 187 per cent in the five years to end 1990, shareholders' funds in the same period were just 61 per cent higher.

With £273m of goodwill and reorganisation costs written off since 1986, TI's shares are inevitably more geared than before to shareholders' trust in management. On this basis, the 14 per cent slide in interim pretax profits announcement yesterday should do nothing to shake the fan club's faith. The figure is only about 8 per cent down on constant exchange rates and with last year's hedging gain stripped out. This per-

By Richard Gourlay in London

Earnings per share fell 41p to 22.9p, but the company ■ to increase its interim dividend 7 ■ cent to 7p. The market welcomed the increased dividend and the shares closed up 12p at 559p in London.

Mr Lewinton said that ■ broad base of leading international businesses had stood the

US car sales in the first quarter tumbled to an annualised 6.8m from the industry's expected level of about 10.3m. Mr Lewinton said. That accounted for two thirds of the fall in the specialised tube division.

seals, with the £250m investment in 50.1 per cent of Dover, a Japanese company, and its US and European associates. Profits in the specialised engineering division fell to £9.9m from £10.6m partly due to aero-engine delays in orders after the Gulf war.

By Robert Taylor
in Stockholm

compared with NR4.2bn while the operating profit rose to NR7.6bn from NR6.2bn. The company said the exploration and production business had achieved a NR4.9bn operating profit compared with NR4.2bn in the 1990 period.

Ronald van de Krol on the US sale worth \$3bn to the Dutch group

For Fokker, the deal has significance other than financial. The order marked a breakthrough into the US market, and seemed to seal the success of the Fokker 100 programme, launched in 1983 during the aviation industry's previous

confident that long-term growth in the industry will average about 5 to 6 per cent a year after the current period of weakness - caused by recession, the effects of the Gulf War and retrenchment by big global airlines.



Fokker 50s have sold well in Europe in such customers as Scandinavian

Fokker made clear this year that it was prepared to enter a partnership with another aircraft maker but it also insisted it was prepared to push ahead with a 130-seater on its own.

of the quarter and the capital funds stood at \$10.5bn. Pre-tax income in the quarter rose 12.4 per cent to \$520.8m, including \$31m of realised capital gains.

Mr Maurice Greenberg, the company's chairman, said AIG was continuing to reduce its exposure to areas which did

Mr. Ronald M. [redacted] and chief second quarter [redacted] were un- [redacted] to high- [redacted] claim act- [redacted] Mutual Ben- [redacted] the New [redacted] seize

By David Brown in Amsterdam

Petrofina s

somewhat ~~was~~ hard-hit, ~~was~~
~~marking~~ ~~decline~~ to F185m
from F125m, primarily as a
result of lower volumes.

Most other divisions, includ-
ing agri-products, resins and

companies in France - Charfa Provence and Cofira - for an unspecified sum, and to restructure its packaging activities with plant closures in Belgium and Luxembourg.

from 1991 show only a modest rise in after-tax profit to NKr900m from NKr800m, although there was a substantial improvement in operating revenue in

By Charles Leadbeater in London

activities in the US by the \$66m purchase of one of the leading manufacturers of hoses, pipes and flexible ducting.

Flexible Technologies, which was purchased from McBain, Rose Partners, the US investment group, specialises in the manufacture of piping and

By Katharine Campbell in Frankfurt

At Bayerische Hypotheken- und Wechsel-Bank, the regional Bavarian institution

Westdeutsche Landesbank, consolidating its half-year results for the first time, achieved total operating profits of DM427m against DM340m for

by Martin [REDACTED]

improvements in their
seniors during the 1990s if
they are to close the competi-
tive gap with more efficient
Japanese rivals, according to a

...relative po
...follow. Ni
...the two U.S.
...ected to-m

By Andrew Hill in Brussels

The group said on Twitter:

On Wednesday, Fina, the Belgian group's US affiliate, announced a 32 per cent fall in its second-quarter profits following a drop in natural gas

BFr27.3bn against BFr22.3bn. However, the group said yesterday that the economic situation would prevent recovery before the fourth quarter.

The company disclosed that about 70m barrels of equity crude oil were produced in the first half, a rise of 14 per cent over the first six months of last year.

quarter of group turnover, on a par with its medical systems business. Aerospace activities still account for half overall turnover, which was £700m (\$1.18bn) last year.

Smiths plans a significant improvement in Flexible Technologies' profit margins, which fall well short compared with the performance of most of the companies in its Industrial division.

Net interest income amounted to DM1.09bn, an 11 per cent advance, helped by increased corporate lending and a big boost to the mortgage business between February and June.

Frankfurter Bank, the small Frankfurt-based bank, partial operating profits rose 8.4 per cent to DM129m. Net interest income grew 19.6 per cent to DM262m, but fee income fell 2.5 per cent to DM118m.

... with ... leading
... of the U.S. motor
... industry. These executives
... that three Japanese
... manufacturers - Toyota
... and Nissan - will

and some 30 per cent, is expected to be more competitive than the three's share of the market and is expected to be

NEW ISSUE

This amount

SENSE

U.

4 1/4 per cent

to subscribe for shares

The Bonds will be un-

The Mitsui

ISSUE

D

Yamaichi International (Europe) Limited

Sauwa International plc

Barclays de Zoete Wadd Limited

BNP Capital Markets Limited

Robert Fleming & Co. Limited

Kankaku (Europe) Limited

Morgan Stanley International

J. Henry Schroder Wagg & Co. Limited

Swiss Bank Corporation

Wako International

INTERNATIONAL COMPANIES AND FINANCE

AIG advances 9% to \$401m in second quarter

By Karen Zagor in New York

AMERICAN Insurance Group yesterday posted a 9 per cent rise in second-quarter net income to \$401m, or \$1.88 a share, from \$367.5m, or \$1.78, in the same period. Revenues rose 8 per cent to \$4.1bn from \$3.8bn a year earlier.

For the first six months, net income improved 7 per cent to \$775.4m, or \$3.64 a share, from \$723.6m, or \$3.51. Revenues increased 10 per cent to \$8.2bn. The company's consolidated assets were about \$60bn at the end of the quarter and its capital funds stood at \$10.5bn.

Pre-tax income in the quarter rose 12.4 per cent to \$620.5m including \$31m of realised capital gains.

Mr Maurice Greenberg, the company's chairman, said AIG was continuing to reduce its underwriting losses which did not meet its underwriting standards and shed about \$100m of domestic property-casualty business, primarily in the areas of reinsurance, transportation and personal lines.

US car makers warned on Japan's competitive edge

By Martin Dickson

THE BIG THREE US car makers - General Motors, Ford and Chrysler - need to speed up improvements in their operations during the 1990s if they are to remain competitive with more efficient Japanese rivals, according to a study released yesterday.

The report, a joint venture between Ernst & Young and the University of Michigan, says the US industry needs to set much more market leadership. Rather than simply improving its operating methods, it needs to make a quantum leap to new business models.

The study is based on interviews with 250 leading executives of the US motor industry. These executives believe that Japanese manufacturers - Toyota, Honda and Nissan - will

remain the world's most competitive companies in the year 2000. Both Ford and General Motors are expected to improve their relative performance and closely follow Nissan.

The US companies are expected to rank equally in competitiveness but General Motors would show the greatest improvement, since it is regarded as less efficient than Ford. Chrysler's competitiveness would stay about the same, or decline slightly.

Global markets are expected to expand, with production potential in new Third World regions and strong demand in Japan, South America, where Japanese manufacturers command 30 per cent of the market, is expected to become even more competitive, and the big three's share of domestic production and sales is generally expected to decline.

BankAmerica to acquire Nevada group for \$400m

By Martin Dickson in New York

BANKAMERICA, the largest US bank in California, yesterday announced its expansion as a regional powerhouse in the western US when it agreed to acquire Valley Capital, the second largest banking business in Nevada, for about \$400m in cash.

The move is a significant expansion of its presence in the state of Nevada, which is expected to show one of the fastest growth rates of any state in the population and income over the next decade.

Valley Capital is the parent company of Valley Bank of Nevada, which had assets of \$2.9bn and deposits of \$2.7bn at June 30 and operates 60 branches in the state.

BankAmerica has a small Nevada subsidiary which together with the two will come close to size to the state's biggest bank, a subsidiary of Interstate Bancorp. Valley Capital also owns a small Arizona bank, Caliber, with some \$233m of assets.

American Express in securities sale

AMERICAN Express, the US travel and financial services group, is to sell \$300m of preferred securities to Berkshire Hathaway, the investment company controlled by Mr Warren Buffett, the legendary American investor, said Patrick Harverson. The deal is part of his campaign to balance the sheet.

The privately-placed securities will be non-transferable, carry a maturity of three years and pay a fixed dividend of 11 per cent. American Express will redeem the paper no later than maturity by exchanging common shares for preferred stock, which may be redeemed for common stock at any time, at the company's option.

Part of the investment was warmly received on the stock market, with the financial group's shares rising 11 at mid-day to \$28.4.

Bethlehem Steel sees full-year loss despite signs of US recovery

By Martin Dickson

BETHLEHEM Steel, the second largest US steelmaker, has reported a second-quarter loss of \$1.1bn and warned that it expected a loss for the full year, despite a gradual recovery from recession in the North American market.

A slump in demand from leading steel users, such as the automotive and white goods industries, has forced the large US steelmaker into the red on an operating basis since the start of the year. The second quarter has generally seen lower losses than the first three months.

Bethlehem said its \$39m second-quarter loss was equivalent to a loss of 11 cents a share and compared with profits in the same period of last year of 21 cents. First quarter losses were \$1.27bn or \$1.11bn. The figures were better than some Wall Street forecasts, which had suggested losses of up to 15 cents a share.

The company's steel shipments were down 10 per cent in the second quarter of 1991, mainly because of reduced demand for steel products from the automotive and light construction industries.

Bethlehem said that it and British Steel were continuing a

feasibility study, announced earlier this year, for a proposed joint venture and modernisation of its structural and rail steel operations. Talks are continuing with the United States Workers union on the joint venture's need to make labour more competitive.

The company added there were signs that the US economy was improving and that it would start to have a beneficial effect on steel markets.

A recovery in orders for sheet products suggested that the company had stopped reducing inventories and were shifting to modestly higher production schedules.

While shipments were down to be modestly higher in the third quarter, the economic outlook remained uncertain and demand from certain steel markets, primarily construction and heavy machinery, continued to be soft.

Bethlehem forecast that the US industry's structural and sheet shipments would total only 75m tonnes in 1991, down 12 per cent on 1990.

The company expected to report a loss for the third quarter and full year because of high start-up and maintenance costs.

Bear Stearns' profits rise 50% despite lower revenue

By Patrick Harverson in New York

BEAR STEARNS, the Wall Street securities house, yesterday reported a 50 per cent increase in fourth-quarter profits to \$60.3m, added by a big rise in underwriting fees and trading revenues.

The strong final quarter took full-year profits to \$142.3m, a 20 per cent increase on the \$119.4m earned in the previous 12 months.

The jump in fourth-quarter profits was achieved in spite of a 11 per cent decline in gross revenues to \$1.1bn, thanks to a 11 per cent drop in underwriting fees and expenses.

Full-year revenues were little changed from a year earlier.

The rush of corporate bond and stock offerings in the US between April and June boosted Bear Stearns' investment banking revenues by 11 per cent. The improvement was more than matched by losses from the company's principal trading activities, which jumped 37 per cent in the quarter.

Increased interest in the stock market among individual investors helped lift earnings from broking activities by 11 per cent.

Higher revenues from mortgage-backed and high-yield securities, and from clearing services for correspondent customers, also made an important contribution to overall profits.



FF 1 billion in net income for the COGEMA Group in 1990

Consolidated financial highlights (FF millions)		1990	1989
Net sales		21,367	23,641
Income		1,995	1,805
Income before taxes and extraordinary items		1,995	1,805
Income		1,995	1,805
Group share		1,034	1,539
Cash flow		7,362	7,122
Fixed investments		5,782	6,516
Total assets		84,690	80,287
Shareholders' equity		9,690	10,000
(before net income appropriation)		16,814	17,006
Employees		16,814	17,006

*The figure for net sales in 1990 was obtained after taking into account a modification in accounting for some reprocessing contracts. (This had no significant effect on the net income). **Modification, 1990 net sales would have been 1% less than in 1989.

In 1989, Cogema benefited from favorable non-recurring events: the invoicing of the first core of Superphénix and an important engineering contract in Japan.

In 1990, on the contrary, a FF 258 million provision was posted, owing to the legal suit in which Cogema was indirectly implicated as a subcontractor. Depreciation and other provisions on operations, following the start up of the UPR reprocessing plant, were increased from FF 6 to 6.5 billion (net).

The consolidated cash flow remained strong at 54% of net sales.

1990 results were influenced by:

- Continued restructuring of mining activities to better serve uranium and enrichment markets;
- Continued up of the UPR reprocessing plant in La Hague in August 1990;
- Continued construction of the UPR reprocessing plant in La Hague, the second phase;
- Signature of additional reprocessing contracts with several German electrical power producers beginning in the year 1991.

The Annual Report is available upon request

COGEMA - Direction de la Communication
2-4 rue Paul Dauter - 91 - 78141 Vélizy-Villacoublay Cedex - France

£150,000,000

HALIFAX

BUILDING SOCIETY

Floating Rate Loan Notes

Due 1996 (Series A)

Interest Period: 11.2575%

Interest Period: 21st July 1991

Interest Period: 20th August 1991

C. 1,000,000 Notes

C. 45.20

Credit Rating: First Western Limited

Agent

Temple Court Mortgages (No. 1) PLC

£175,000,000

Mortgage Backed Floating Rate Notes 2029

The rate of interest for the period 31st July, 1991 to 31st October, 1991

has been fixed at 11 7/8 per cent. per annum. Coupon No. 7 will

be payable on 31st October, 1991 at 11 7/8 per cent.

S.G. Warburg & Co. Ltd.

Agent Bank

NEW ISSUE

This announcement appears as a matter of record only.

August, 1991



SENSHUKAI CO., LTD.

U.S.\$100,000,000

4 1/4 per cent. Guaranteed Bonds 1995

with

Warrants

to subscribe for shares of common stock of Senshukai Co., Ltd.
The Bonds will be unconditionally and irrevocably guaranteed by

The Mitsui Taiyo Kobe Bank, Limited

ISSUE PRICE 100 PER CENT.

Daiwa Europe Limited

Yamaichi International (Europe) Limited

Mitsui Taiyo Kobe International Limited

Sanwa International plc

DKB International

Barclays de Zoete Wedd Limited

Baring Brothers & Co., Limited

BNP Capital Markets Limited

Deutsche Bank Capital Markets Limited

Robert Fleming & Co. Limited

Goldman Sachs International Limited

Kankaku (Europe) Limited

Merrill Lynch International Limited

Morgan Stanley International

Salomon Brothers International Limited

J. Henry Schroder Wagg & Co. Limited

Sumitomo Trust International plc

Swiss Bank Corporation

UBS Phillips & Drew Securities Limited

Wako International (Europe) Limited

S.G. Warburg Securities

Yamatane Securities (Europe) Ltd.

Taiheiyō Europe Limited

Towa International Limited

Universal (U.K.) Limited

NEW ISSUE

This announcement appears as a matter of record only.

August, 1991



Tsutsunaka Plastic Industry Co., Ltd.

U.S.\$100,000,000

4 1/4 per cent. Guaranteed Bonds 1995

with

Warrants

to subscribe for shares of common stock of Tsutsunaka Plastic Industry Co., Ltd.
The Bonds will be unconditionally and irrevocably guaranteed by

The Sumitomo Bank, Limited

ISSUE PRICE 100 PER CENT.

Daiwa Europe Limited

Sumitomo Finance International Limited

Sumitomo Trust International plc

ITCB International Limited

Banca del Gottardo

Banque Bruxelles Lambert S.A.

Banque Indosuez

Baring Brothers & Co., Limited

Cazenove & Co.

Dai-ichi Europe Limited

Dresdner Bank Aktiengesellschaft

Kankaku (Europe) Limited

Kleinwort Benson Limited

Merrill Lynch International Limited

Morgan Stanley International

Nomura International

Salomon Brothers International Limited

Swiss Bank Corporation

Takagin Finance International Limited

Universal (U.K.) Limited

Electronic: 8.45am, 1 Flat yield. Highs and lows covered, but no significant change in the market.
The FIAT: 10.00am, 1 Flat yield. Highs and lows covered, but no significant change in the market.
Deletion: 10.00am, 1 Flat yield. Highs and lows covered, but no significant change in the market.
Westpool: 10.00am, 1 Flat yield. Highs and lows covered, but no significant change in the market.

15/08/1991

UK COMPANY NEWS

Sale at higher price hoped for when leisure sector recovers **Bass forced to hold on to Coral**

By David Churchill, Leisure Industries Correspondent

BASS, the UK brewing, hotels, and leisure group, has decided not to sell its Coral Racing betting shops after failing to attract high enough bids.

The decision to hold on to the shops for the time being reflects the difficulties of trying to sell leisure assets in the current economic climate.

Bass is understood to have valued the 900-strong Coral chain at about £300m, but failed to receive a bid near that level. It hopes that a sale at a higher price might be achieved when the leisure sector recovers.

Bass was putting a brave face on the decision yesterday, stating that the trading performance for the betting shops had "improved significantly" and that the group's half year in mid-April.

had made some £8m pre-tax profits in the first half, but was likely to make only about £20m in the full year, against £25m last time, due to the recession.

Coral was put on the market last May when Bass said it had received some unsolicited offers, which it declined to name. Henry Waggs was appointed to explore all offers.

Interested parties are believed to have included rival brewers Scottish and Newcastle and a consortium of executives with betting shop expertise. The Tote was also believed to be potentially interested in a merger as part of privatisation.

The decision to keep Coral has put Bass in a difficult position in view of its strategy to dominate the markets in which it operates.

Last May it acquired a number of bingo halls from Granada, making it joint market leader in bingo along with the Rank Organisation.

Coral, however, is the third largest UK betting shop chain, behind Ladbrokes with about 2,000 shops and William Hill, owned by Brent Walker, with 1,600.

The Monopolies and Mergers Commission would be unlikely to approve any attempt by Coral to grow by acquiring other betting shops.

Mr Peter Sherlock, chief executive of Bass's leisure division, said last night that he believed "being number three in the market is still a viable position for us."

Bass's shares closed 5p up last night at 225p.

Goodman gives up control of Food Inds

By Kieran Cooke in Dublin

LARRY GOODMAN, Europe's biggest beef processor and exporter, last night conceded control of Food Industries, his publicly quoted group, to Greencore, the recently privatised Irish company.

Mr Goodman controlled 68 per cent of the £1.1bn Food Industries, which groups most of his meat interests. Greencore had offered £55m and set yesterday evening as the deadline for receiving irrevocable undertakings from Goodman.

A majority of the Food board recommended acceptance but Mr Goodman said he wanted a considerably higher price and hinted that he was in discussion with other potential buyers.

After intense negotiations yesterday, Mr Goodman reported to have improved its offer, though it is believed to still fall well short of the price Mr Goodman had wanted.

Last night Goodman International, Mr Goodman's privately held beef conglomerate, revealed that it could not pay debts of more than £500m to 35 banks. Part of a rescue package worked out between Mr Goodman and his banks involved the disposal of Goodman's non meat assets, including his stake in Food Industries.

It was reported that the banks had put pressure on Mr Goodman to accept the Greencore offer.

London listing for All Nippon Airways

All Nippon Airways - Japan's second largest airline - is to list its shares on the London Stock Exchange from early October.

The main underwriter will be SG Warburg Securities. The move is to increase the number of foreign investors in the company and to expand business opportunities in Europe.

Kwik-Fit pleased at disposal of 12.5% German interest

By Maggie Urry

CONTINENTAL, the German tyre group, has sold its 12.5 per cent stake in Kwik-Fit, which has a chain of 600 tyre and exhaust fitting centres.

Kwik-Fit shares fell 10p to 128p yesterday when the 21.5m shares were placed at 129p each, valuing the stake at £2.78m.

At one time Continental was interested in either acquiring Kwik-Fit or in co-operation with the company, headed by Mr Tom Farmer.

Continental originally bought a 10 per cent stake in September 1989 and increased it to 12.5 per cent that October. At that time Kwik-Fit rejected proposals put to it by Continental, although details were not disclosed, saying it

could "see no merit in them."

In February last year Continental paid £143m for the National Tyre chain of 400 outlets from Michelin, the French tyre company. Continental said yesterday that it had taken a further year to get final approval for its NTS purchase from the competition authorities, and that it no longer had any interest in Kwik-Fit.

Mr Peter Holmes, Kwik-Fit's marketing director, said the company was pleased that Continental had disposed of its stake. Kwik-Fit had not stocked Continental's tyres.

Analysts said the removal of a possible predator might take some of the sparkle out of the shares, which have been strong performers in recent months.

This stake in Kwik-Fit has been diluted slightly by share issues. Continental did not disclose the price it paid for its holding and declined to comment yesterday on whether it had lost money on the deal.

But it would appear to have suffered a loss on the investment since the share price was about 140p when it bought the stake.

The placing was arranged by James Capel, the stockbroker, which bought the stake at 129p and took a 2p turn on the deal.

Capel said the shares had been placed with a range of institutional investors and had met healthy interest. The company had also placed 5m new shares in June at 120p to fund the purchase of some properties.

BAe and Sema link to bid for defence contracts

By Michael Skeppler

A JOINT venture to bid for large defence contracts in Europe, the Far East and the Middle East has been formed by British Aerospace and Sema Group, the Anglo-French computing services company.

The new company, BAe Sema, will provide consultancy, project management and computer systems for the building of warships. BAe and Sema will each hold 50 per cent of the company.

BAe said the venture would enable it to bid for naval as well as air and land-based projects. It said that governments were increasingly asking contractors to provide complete packages.

Sema said it would gain from BAe's experience in large project management. It sees the joint venture as part of the process of consolidation in the defence industry.

The joint venture will have 1,500 employees, with 1,300 coming from Sema companies. Sema's Yard division, the Glasgow-based naval architecture and warship design operation, and Sema Scientific, which

uses naval command and control systems, will both become part of the joint venture. Sema's share of Dowty, another joint venture, will also be included in the new company. BAe will

be the embryonic naval business, with 300 employees.

Darby falls to £1.5m and raises £1.25m

By Jean Marshall

Darby Group, the USBI-quoted specialist plant products maker, is raising £1.25m in a placing and open offer of 1.33m new ordinary shares at 100p each.

The same time the company announced a fall in taxable profits from £1.55m to £1.35m for the year to February 28 in spite of higher turnover of £15.1m (£11.1m).

Earnings per share rose 9.31p (9.77p) and the dividend payment is maintained at 8.3p with a same-again 2.1p final.

The shares closed 10p lower yesterday at 169p. The proceeds of the placing would be used to reduce borrowings and provide greater flexibility. During the two years to February the company spent more than £5m on fixed assets and acquisitions.

Mr M Darby, the chairman, said that during the past year productivity had increased by more than 10 per cent as a result of investment in automated equipment. However, volumes had remained low and order patterns were erratic.

The shares have been conditionally placed with institutional and other investors, with a 1-for-11 offer.

UK Land amputates offshoots

By Vanessa Houlder

UK LAND, the property company which owns the Elephant and Castle shopping centre in London, has announced its intention to put two of its subsidiaries in liquidation.

Mr Colin Tett, chairman, said the parent had decided not to support the development subsidiaries Eldoncliff and UK Land Developments, which were unable to find tenants for their buildings.

"It is an amputation and we survive, rather than carry everything and let it drag you down," he said.

He estimated the company had lost £18m in the two subsidiaries. The bank involved in UK Land Developments would

be asked to appoint a liquidator at a meeting on August 22. Two directors of the parent company - Mr Philip Williams, finance director, and Mr Alex Robinson, development director - and Mr Bryan Taylor, managing director of Eldoncliff, have resigned.

Mr Tett said the future of UK Land depended on its Northampton business park. He expected to complete the £18m sale of the first phase today.

Boddington lifts Devenish stake

By Philip Rawstone

BODDINGTON, the pub retailing group, yesterday announced that it was increasing its stake in JA Devenish, the Weymouth-based pub company, for which it made an unsuccessful £10m bid last year.

Devenish's share price rose 28p to 200p on the news before closing at 199 1/4p.

Boddington has agreed to buy 1.1m shares in Devenish from institutional and other investors to increase its holding to 9.82m shares, 20 per cent of the issued ordinary share capital.

Mr Ted Englefield, Boddington's company secretary, said yesterday: "We had an opportunity to add to the stake we built up during the bid and we took it."

"We intend to keep our options open, and we have no intention of disposing of our holding in the short term."

He declined to say whether Boddington might acquire further shares or seek representation on the Devenish board.

The bid for Devenish, launched in April after earlier share offers, was valued at £10m.

Mr Ted Englefield, Boddington's company secretary, said yesterday: "We had an opportunity to add to the stake we built up during the bid and we took it."

"We intend to keep our options open, and we have no intention of disposing of our holding in the short term."

He declined to say whether Boddington might acquire further shares or seek representation on the Devenish board.

The bid for Devenish, launched in April after earlier share offers, was valued at £10m.

Mr Ted Englefield, Boddington's company secretary, said yesterday: "We had an opportunity to add to the stake we built up during the bid and we took it."

"We intend to keep our options open, and we have no intention of disposing of our holding in the short term."

He declined to say whether Boddington might acquire further shares or seek representation on the Devenish board.

£127.7m. Boddington, which planned to combine the Devenish pub estate with its own to form "a powerful independent force in pub retailing" offered a 10-for-7 share exchange or a full cash alternative of 210p.

Devenish responded by reshaping its business to concentrate on pub retailing.

It sold its beer brands and signed a supply agreement with Whitbread and last month announced the sale of its beer-making Redruth brewery to a management group.

Life Sciences up 35% to £7.7m

By Clare Pearson

LIFE SCIENCES International, the scientific instruments company, said that its pre-tax profits rose 35% to £7.7m in the six months to end-June in spite of a downturn in the US, its dominant market.

The result reflected strengthening margins, with pre-tax profits increasing to £5.6m (£5.3m) on turnover of £28.5m (£27m). An increase in interest receivable to £1.68m (£1.0m), thanks to a rights issue last year, also helped.

The interim dividend is being lifted to 1.15p, a 16 per cent rise. On a fully-diluted basis, earnings per share rose to 3.7p (3.2p).

Mr Christopher Bland, chairman, said that the company had made a number of acquisitions in the year prior to these results, but did not separate out the contributions of different divisions at the interim stage.

However, he said that Shandon, the tissue analysis business, had been the outstanding performer in terms of improving margins.

At the end of the period Life Sciences acquired a fifth division with the £48m purchase of Neslab, a New Hampshire temperature control company.

The group is now appointing a US-based chief operating officer with responsibility for all

five divisions. He is Mr Jeffery Jacobson, formerly general manager of operations at General Electric's silicone products division.

Mr Andrew Boddington, currently acquisitions director, is to take over as chief executive of Neslab, replacing Mr Tom Butler who is to continue as a consultant.

Mr Bland said the purchase of Neslab, along with two other small acquisitions, had meant that, instead of having net cash of £16.5m the group now had net borrowings of £8.3m and gearing of 28 per cent. He expected cash generation substantially to eliminate that debt within 12 months.


London listing for All Nippon Airways

All Nippon Airways - Japan's second largest airline - is to list its shares on the London Stock Exchange from early October.

The main underwriter will be SG Warburg Securities. The move is to increase the number of foreign investors in the company and to expand business opportunities in Europe.

DIVIDENDS ANNOUNCED					
Shareholder	Dividend	Dividend	Dividend	Dividend	Dividend
Barclays	1.15p	1.15p	1.15p	1.15p	1.15p
Bentley	1.15p	1.15p	1.15p	1.15p	1.15p
British Telecom	1.15p	1.15p	1.15p	1.15p	1.15p
British Airways	1.15p	1.15p	1.15p	1.15p	1.15p
British Gas	1.15p	1.15p	1.15p	1.15p	1.15p
British Leyland	1.15p	1.15p	1.15p	1.15p	1.15p
British Overseas Airways	1.15p	1.15p	1.15p	1.15p	1.15p
British Petroleum	1.15p	1.15p	1.15p	1.15p	1.15p
British Rail	1.15p	1.15p	1.15p	1.15p	1.15p
British Steel	1.15p	1.15p	1.15p	1.15p	1.15p
British Telecommunications	1.15p	1.15p	1.15p	1.15p	1.15p
British Virgin Islands	1.15p	1.15p	1.15p	1.15p	1.15p
British Waterways	1.15p	1.15p	1.15p	1.15p	1.15p
British Airways	1.15p	1.15p	1.15p	1.15p	1.15p
British Gas	1.15p	1.15p	1.15p	1.15p	1.15p
British Leyland	1.15p	1.15p	1.15p	1.15p	1.15p
British Overseas Airways	1.15p	1.15p	1.15p	1.15p	1.15p
British Petroleum	1.15p	1.15p	1.15p	1.15p	1.15p
British Rail	1.15p	1.15p	1.15p	1.15p	1.15p
British Steel	1.15p	1.15p	1.15p	1.15p	1.15p
British Telecommunications	1.15p	1.15p	1.15p	1.15p	1.15p
British Virgin Islands	1.15p	1.15p	1.15p	1.15p	1.15p
British Waterways	1.15p	1.15p	1.15p	1.15p	1.15p

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. \$USM stock. ‡Scrip alternative





WORLDWIDE SPECIALISED ENGINEERING

TI Group - Half Year 1991

	1991	1990
Pre-tax profit	£54.2m	£63.3m
Earnings per share	22.9p	27.0p
Dividend	7.0p	6.5p

"Our strategic positioning and continuing investment in world leader businesses have stood us in good stead during this recessionary phase. We view the future with confidence."

Christopher Lewinton, Chairman



For further information about the TI Group, contact the Department of Public Affairs, TI Group plc, World Operating Headquarters, Lambourn Court, Abingdon Business Park, Abingdon, Oxfordshire OX14 3UH, England.



Broad global stance underpins profit performance

One of the most important sources of growth for the H.J. Heinz Company during the past 27 record-breaking years has been our determination not only to serve our customers' current needs but also to anticipate their future requirements. Heinz is anticipating food trends by ensuring that our big brands meet new requirements and by investing in the foodservice sector.

In the past 12 months, we have undertaken a series of acquisitions in various areas as part of a strategic policy to build foodservice category leadership. In July 1991 we purchased J.L. Foods, one of North America's major suppliers to the food industry, for a net cash consideration of approximately \$900 million. This acquisition makes Heinz one of the Top Two Companies in North America supplying value added food products to the dynamic food service and take-away sector. The gain from the sales of The Hubinger Company in June 1991 and Caribbean Restaurants in April 1991 is facilitating this strategy.

During the past fiscal year, our sales surpassed \$6.6 billion, a record that was symptomatic of a wider range of fiscal achievement. Your company also surpassed all previous levels of performance in such crucial indicators as sales, income and earnings per share.

Because of its broadening global stance, Heinz has become a basket of companies and a basket of currencies. No single product has commanded more than 15% of sales in any given year. This flexibility has proven an invaluable asset, enabling us to fend off the repeated challenges of our competitors while strengthening our big brands, extending our geographic reach and capturing profitable niche markets.

Heinz has taken the lead on a number of environmental issues. We have seen heightened consumer faith in our StarKist brand as a result of the dolphin-safe initiatives; we expect a similar response to our recyclable ketchup bottle.

The rapid spread of the green movement due in large part to a new age in global communications. The communications revolution has accelerated the advance of trends and broadened the aspirations of consumers. As a consequence, our baby food, Heinz ketchup and Weight Watchers brand products and services are becoming recognised and respected on a global scale.

The interests of our shareholders are foremost as we conceive our strategies and conduct our initiatives. Dividends during the past ten years have grown at an annual compounded rate of 16.6%. The total return to Heinz shareholders over the decade, including price appreciation and reinvestment dividends, has been 1,047.2% equivalent to a 27.6% annual compounded return.

This satisfying performance is testament to the durability of Heinz's brands and the adaptability of our management. It flows from a solid balance sheet, a strong portfolio of brands, a broad market stance and an entrepreneurial culture.



Anthony J.F. O'Reilly
Chairman, President and Chief Executive Officer

Sales	\$6.65 billion
Pre-tax profit	\$903 million
After-tax profit	\$568 million
Net earnings	up 12.6%
Earnings per share	up 12.1%
Return of 1,047% to Shareholders over ten years	

With the exception of the reference to the purchase of J.L. Foods in July 1991, the above is extracted from the statement to shareholders of H.J. Heinz Company by the Chairman, President and Chief Executive Officer, Dr. A.J.F. O'Reilly, for the year to 1 May 1991. The contents of this advertisement for the purposes of Section 57 of the Financial Services Act 1986 by Company & Legal Director, a firm authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business. It must be stressed that the value of shares can fall as well as rise and that the past is not necessarily a guide to the future.

Brent Walker for pub side

By Maggie Urry

BRENT WALKER, the leisure group in the midst of a £1.5bn financial reconstruction, aims to raise £70m from its pubs division over the next couple of years.

This will more than fund a plan to re-brand and capitalise the programme of expenditure to exploit the opportunities thrown up by the changing leisure industry. Surplus cash will be used to reduce the group's debts.

The pubs division and the William Hill bookmaking operation form the basis of Brent Walker's recovery plan. The group's other assets - such as its developments in the leisure and travel sectors - are to be sold "in an orderly fashion" over a two-year period. Mr Walker, head of the group, said yesterday.

He said that the group's financial reconstruction was the most complex ever seen in the City of London, and that "progress" was being made towards its completion.

The basis of the group's business plan was the disposal of cash-generative businesses and retention of cash-generative assets. He added.

The plan is changing its name from Brent Walker and Retail to Pubco, distancing it from the group's other assets. Mr Walker, it will like William Hill, be a "stand alone" company, both financially and operationally. Eventually, Brent Walker, which will be a holding company, might change its name. Mr Walker said.

Mr Brent Walker said that the group's pub business in 1989, the division had built a strong management team and had proved its strategy of offering customers a choice of different brewers' beers. The division made an operating profit of £13.5m, a 51% increase on the £8.9m of the previous year. Mr Walker said that the group was planning to raise £70m over the next two years to fund its expansion plans, including the purchase of 400 such sites.

DM 100,000,000 10% Bonds of 1991/1994

with the Issuer's option to repay by 31st Dec 1993 of Siemens Aktiengesellschaft, Berlin

Issue Price: DM 100.00
Interest Rate: 10% p.a. payable in arrears on 31st Dec 1991, 1992, 1993, 1994.
Repayment: on 31st Dec 1994 at the option of the Issuer, or by delivery of fifteen ordinary DM 250 per Bond of DM 100,000.
Listing: Düsseldorf

Amro Handelsbank
Commerzbank
Deutsche Bank
Dresdner Bank
Hamburger Bank
KfW Bank
Landesbank
Montagu & Co.
Westdeutsche Genossenschaftsbank

NOTICE OF PARTIAL REDEMPTION TO HOLDERS OF DOMUS MORTGAGE FINANCE NO. 1 \$100,000,000

NOTICE IS HEREBY GIVEN that in accordance with Condition 11 of the Notes, the Issuer hereby gives notice of the partial redemption of the Notes, selected as follows:

The date set for the mandatory redemption is the 1st day of September 1991, and the amount of the principal amount plus accrued interest to be paid against surrender of the Notes, together with the interest on the principal amount, shall be as follows:

100	155	174	221	246	302	309
402	504	511	540	583	636	696

CHIEF FINANCIAL OFFICER
Principal Paying Agent

UK COMPANY NEWS

Brent Walker unveils plan for pub side to raise £70m

By Maggie Urry

BRENT WALKER, the leisure group in the midst of a £130m financial reconstruction, has unveiled a plan to raise £70m from its pub division over the next couple of years.

This will more than fund a £30m re-branding and capital expenditure programme designed to exploit the opportunities thrown up by a changing brewing industry. Surplus cash will be used to reduce the group's debts.

The pub division and the William Hill bookmaking operation form the basis of Brent Walker's recovery plan. The group's other assets - such as leisure developments in the UK, Spain and France - will be sold "in an orderly manner" over a two-year period.

Mr John Brackenbury, head of the pub business, said yesterday. He said that the group's financial reconstruction was the most complex ever seen in the City of London, and that "good progress" was being made towards its completion.

The basis of the group's business plan was the disposal of cash-hungry businesses and retention of cash-generative activities, he added. The pub division is changing its name from Brent Walker Inns and Pubs to Pubmaster, distancing it from Brent Walker, who will remain a "silent partner" in the business both financially and managerially.

Eventually Brent Walker, which will become a holding company, might change its name, Mr Brackenbury said. Mr Brackenbury said that the pub business had built a strong management team and had proved its strategy of offering customers a choice of different brewers' beers. The division raised an



John Brackenbury: brewers could 'park' their pubs

operating profit of £13.5m, and was forecast to make £18.3m in 1991, with no contribution from land sales.

Mr Brackenbury said that the most important deals will follow the completion of the refinancing: the sale of Cameron's brewery in Hartlepool, Cleveland, as a management buy-out; and a deal with a large national brewer - believed to be Allied-Lyons - to lease a large number of pubs.

These deals could give Brent Walker about £10m, Mr Brackenbury said. Another £50m could be raised over the next two years from the sale of surplus land and buildings in pubs. The group has, or has applied for, planning permission to develop 400 such sites.

Deals with other brewers could follow and Mr Brackenbury said yesterday that Pubmaster would increase its share from 1.119 pubs to more than 1,000 pubs within a year. Pubmaster could negotiate "attractive leasing terms from brewers in return for a bare-lease commitment".

The large brewers are required under new regulations to reduce the numbers of "dead" pubs to 2,000 or less by November 1991. As a result there are about 8,500 pubs in the UK which will have to be sold. Over the next five years, Mr Brackenbury said, the price of pubs has fallen. Mr Brackenbury said brewers could "park" their pubs by leasing them to Pubmaster.

Lower cost base boosts Border TV to £0.87m

By Nigel Clark

LOWER OPERATING costs helped Border Television to taxable profits of £286,000 for the year to April 30, compared with a restated £111,000. Turnover for the USM-quoted regional television operator based in Carlisle was static at £12.2m.

An extraordinary charge of £487,000 related to restructuring and severance costs. That compared with a credit of £127,000. The comparative figure was restated to include £226,000 of restructuring costs and a pension fund surplus of £132,000 originally classified as exceptional.

Mr Melvyn Bragg, chairman, said a number of objectives were achieved in the period, including maintaining market share and retaining its contract unopposed.

An immediate upturn in the economy was not expected and increases in advertising spending were not expected until 1992.

Earnings per share rose to 3.1p from which a recommended maintained final dividend of 1.22p is being paid for an unchanged total of 2.1p.

African Lakes slips

The UK motor operations of the African Lakes Corporation failed to shore up the first half results and taxable profits fell from £525,141 to £31,322 on sales down 13 per cent from £22.6m to £19.7m. In the half-year to March 31, the group's other main activities incurred a small loss. The group's other main activities are wholesale distribution and forestry. Losses per share were 1.49p (1.68p netting).

Business gains help lift CIA to £1.5m

By Alice Rawsthorn

IN SPITE of a downturn in the advertising market CIA Group, the specialist media buying agency, increased interim pre-tax profits by 10 per cent from £1.2m to £1.47m.

Mr Chris Ingram, chairman and chief executive, said existing clients had been forced to cut budgets because of the recession, but this had been countered by new business gains and increased investment income.

The interim dividend is 1.15p (1p) on earnings per share of 5.27p. CIA's share price rose by 2p to 130p on the announcement. Turnover fell to £10.5m (£85.6m) during the six months to June. However, operating margins had been maintained.

CIA traditionally makes a substantial portion of its pre-tax profits from income derived from surplus cash - which stood at £7m at the period-end - and from interest on the money received from clients for media buying before that money was passed on.

Mr Ingram did not disclose what proportion of pre-tax profits came from investment income. However, he said it was higher than in the last financial year, when it provided 52 per cent of pre-tax profits.

The group gained 100 per cent in net new business so far this year. This year it won the £15m (£10.7m) media buying account for Europe and Africa for DTL, the express services company.

Mr Ingram said there was no sign of improvement in the UK, but the company in continental Europe was continuing to grow. CIA International, which handles international media buying, represented 15 per cent of turnover, against just 11 per cent a year.

At the meetings of the Board of Directors of our Company held on 16th and 24th July, 1991, resolutions were adopted on the issues of £1.5m with warrants and convertible bonds. The subscription price of such warrants and the conversion price of such bonds are less than the current market price as defined in the Agreement. Consequently, the Subscription Price of the Warrants in Caption had been adjusted as follows:

Before Adjustment After Adjustment
Subscription Price of the Warrants Yen 6,833.3 Yen 6,791.1

Such adjustment shall be made from 1st August, 1991.

Second half improvement pulls Dale back to profit

By John Murrell

DALE Electric International, the power and lighting group, made up the £146,000 deficit made through the second half months and for the year to April 30, taxable profits of £1.1m at the pre-tax level. The shares responded with an 11p jump to 67p.

In the previous 12 months, profits slumped to £233,000 (£2.4m) and a restructuring programme was launched. Sir Tom McDonald, chairman, said yesterday that the process of change and rationalisation would continue and that the outstanding order book of £10m (£12.5m) was a strong

presence in export markets had given the group a resilience to the worst effects of the recession.

A final dividend of 3.1p makes a same-again 5.1p total. Earnings emerged at 6.62p (losses 0.81p).

Turnover declined from £146.8m to £146.8m. A below-line extraordinary provision of £1.1m related to the sale of a subsidiary and the closure of some manufacturing facilities. Gearing remained at 100 per cent but the group expected full benefits of the restructuring to emerge in the current year.

SMC CORPORATION

US\$300,000,000 2 3/8 per cent.
Notes due 1991 with Warrants

Pursuant to Clause 3 (C) of Schedule II of Fiscal and Warrant Agency Agreement dated 23rd March, 1990 (the "Agreement"), we file you with the following notice.

At the meetings of the Board of Directors of our Company held on 16th and 24th July, 1991, resolutions were adopted on the issues of £1.5m with warrants and convertible bonds. The subscription price of such warrants and the conversion price of such bonds are less than the current market price as defined in the Agreement. Consequently, the Subscription Price of the Warrants in Caption had been adjusted as follows:

Before Adjustment After Adjustment
Subscription Price of the Warrants Yen 6,833.3 Yen 6,791.1

Such adjustment shall be made from 1st August, 1991.

MANAGEMENT BUYOUTS

The FT proposes to publish this survey on October 1991. This survey will be read in 160 countries throughout the World. If you are an important audience, call James Paskall on 071 893 4008 or fax 071 893 4009.

FT SURVEYS

Trinkaus & Burkhart
Kommanditgesellschaft auf Aktien
DüsseldorfDM 100,000,000
10% Bonds of 1991/1994

with the Issuer's option to repay by delivery of shares of Siemens Aktiengesellschaft, Berlin and Munich

Issue Price: DM 100
Interest Rate: 10% p.a., payable in arrears on July 25 of each year. The first interest payment will be due on July 25, 1991.
Repayment: on July 25, 1994 at the option of the Issuer either - at par or - by delivery of fifteen ordinary shares of Siemens AG, Berlin and Munich, plus a payment of DM 250 per Bond of DM 1,000.
Listing: Frankfurt

Amro Handelsbank Aktiengesellschaft	Bayerische Landesbank Girozentrale	Bremer Landesbank Aktiengesellschaft
Commerzbank Aktiengesellschaft	Frankfurt Bank Aktiengesellschaft	Dresdner Bank Aktiengesellschaft
DSL Bank Deutsche Sparkassen- und Giroverband	Hamburgische Landesbank - Girozentrale -	L-Bank Landesbank Baden-Württemberg
Samuel Montagu & Co. Limited	Wolfsburg Bank Kleinwalsertal	Stadtsparkasse Köln

Wolfsburg Bank Kleinwalsertal - Bank of West Bank AG

NOTICE OF PARTIAL REDEMPTION
TO HOLDERS OF
DOMUS MORTGAGE FINANCE NO.1 PLC
£100,000,000

MORTGAGE BACKED FLOATING RATE NOTES DUE 2014
Notice is hereby given that in accordance with Conditions 5(b) and 11 of the Notes, the Issuer hereby gives notice to redeem £2,100,000.00 principal amount of Notes, selected randomly as detailed below.

The date set for the mandatory redemption is the next coupon payment date being 6th September, 1991, and the Notes will be redeemed at their principal amount plus accrued interest. Payment will be made against surrender of the Notes, together with all appurtenant Coupons maturing after the date set for redemption at the offices of the Paying Agents, named on the Notes. On and after 6th September, 1991, the redeemed Notes will cease to accrue interest.

The amount of any missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted will be paid upon surrender of the relative missing Coupons within five years from the date of payment. The redeemed Notes will become void unless presented for payment within ten years of the redemption date.

The nominal amount that will be outstanding after the Notes listed below have been redeemed is £53,400,000.00.

The Serial Numbers drawn for mandatory redemption are as follows:
110 130 155 174 221 248 302 319 350 363
418 462 504 511 540 583 636 665 755 810 882

CHEMICAL BANK
Principal Paying Agent Dated 2 August, 1991

MFC
Mortgage Funding Corporation No.4 PLC
(Incorporated in England and Wales with limited liability under registered number 2133465)
Dual-Class Mortgage Backed Floating Rate Notes Due 2035
Class A-1 £100,000,000
Class A-2 £100,000,000
For the interest period 31st July, 1991 to 31st October, 1991 the Class A-1 notes will interest at 11.5375% per annum, payable on 31st October, 1991 will amount to £2,908.08 per £100,000 note. The Class A-2 notes will bear interest of 11.7375% per annum, payable on 31st October, 1991 will amount to £2,958.49 per £100,000 note.
Bankers Trust Company, London Agent Bank

BARCLAYS PLC
INTERIM RESULTS 1991.

Dear Shareholder,

Despite the depressed economic conditions in the UK and the US our profit, before provisions, was similar to the first half of 1990, and showed a quite significant improvement on the second half with an increase of 9 per cent.

Group profit before £378 million, after charging £799 million for credit risk, including a further increase in general provisions. This is a decrease in profit of £224 million on the first half of 1990, but an increase of £220 million on the second half of the year. The profit attributable to shareholders was £219 million.

FINANCIAL SUMMARY (UNAUDITED)

	Half-year ended 30.6.91	30.6.90
Profit before taxation and extraordinary item	£m 378	£m 602
Taxation	(136)	(215)
Profit after taxation	242	387
Minority interests	(23)	(18)
	219	369
Extraordinary item - sale of Yorkshire Bank		174
Attributable to members of Barclays PLC	219	543
Dividends	(146)	(145)
Profit retained	73	398
Earnings per Ordinary Share	13.8p	23.4p
Dividends per Ordinary Share:		
First interim (payable 10 October 1991)	9.15p	9.15p
Net value per Ordinary Share	393p	414p

The information in this announcement does not comprise statutory accounts within the meaning of Section 235 of the Companies Act 1985. The statutory accounts for the year ended 31 December 1990 have been delivered to the Registrar of Companies and contained an auditors' report which included no qualifications, reservations or comments under Section 237 of the Act.

In view of the uncertainty in the major economies, we think it prudent to maintain the first interim dividend at the same level as in 1990.

We expect the depressed trading conditions to continue in the second half of the year, but our capital strength is such as to enable us to ride out the storm and to be well placed to take full advantage of the recovery when it occurs.

John Quinon
Sir John Quinon, Chairman
August 1991



A REPORT ON FORM 6-K, CONTAINING ADDITIONAL INFORMATION, IS BEING FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IN THE UNITED STATES. COPIES ARE AVAILABLE, UPON REQUEST, FROM THE SECRETARY, JOHNSON SMIRKE BUILDING, 1 ROYAL MINT COURT, LONDON EC3N 4HJ.

THE INFORMATION IN THIS ADVERTISEMENT HAS BEEN APPROVED BY THE PURPOSER OF SECTION 23 OF THE FINANCIAL ACT 1985. BARCLAYS PLC IS AN "AUTHORISED PERSON" UNDER THE ACT. IT SHOULD BE NOTED THAT PAST PERFORMANCE IS NOT NECESSARILY AN INDICATION OF FUTURE PERFORMANCE.

CONTRACTS & TENDERS

Alliance Tire & Rubber Company Ltd. (In Liquidation) [Including the subsidiary Samson Tire & Rubber Company Limited] (In Liquidation) ISRAEL

Notice of invitation to submit proposals

A notice is hereby given of an invitation to submit proposals for the purchase of the business and assets of Alliance Tire & Rubber Company Ltd. (in Liquidation) [including its subsidiary Samson Tire & Rubber Company Limited (in Liquidation)] (both of them hereinafter: "the Company") as a going concern.

The company is engaged in the manufacture of tires and tubes for vehicles of various sorts.

The plants of the company are situated in Hadera and in Petach Tikva, and employ about 900 workers.

The undersigned, who was appointed by the District Court of Tel-Aviv-Jaffa to be the Liquidator of the Company, operates the Company in accordance with a Recovery Plan approved by the Court, for a period of time ending on December 1991.

Parties who wish to submit proposals for the purchase of the business and assets of the Company as a going concern, will be required to show a letter of reference from an established bank to prove its substantial financial capability for a minimal sum, and to sign a letter of undertaking to confidentiality. Interested parties should apply in writing to Mr. E. Habsheh at the following address for details and form of letter of undertaking:

Mr. Ezra Habsheh,
Senior Deputy Manager of Tel-Aviv Central District
The Office of the Official Receiver
14 Ben Yehuda St., Tel-Aviv 63802, ISRAEL.

After submitting a letter of reference from a bank and a duly signed letter of undertaking to confidentiality, enclosed with a bankers draft for NIS 500, payable to Alliance Tire & Rubber Company (in Liquidation), the Company's Profile, including financial and relevant information concerning the Company, will be sent to the applicant.

Proposals should be submitted in writing at the office of the Official Receiver no later than by November 8th, 1991, at 12:00 hours.

The undersigned has the right to charge, at any stage of the negotiations, the Company's assets as he sees fit, and to include in such framework any assets and/or right as he wishes and upon the Company's decision.

The undersigned shall not be bound by law regarding tenders; The undersigned is not committed to accept the highest offer or any offer at all, and has the right to give details and information to any of the applicants as he sees fit and/or to negotiate with the applicants and/or with any one of them separately and/or negotiate with applicants outside the framework of the notice of invitation and/or to initiate a litigation between any or all of the applicants and/or to change the wording of this invitation and/or to cancel it, all within his absolute discretion.

The transaction is subject to the signing of a binding contract by the applicant and to the approval of the Court. The Court may, under its discretion, approve the sale, approve the sale subject to conditions, reject it, order a litigation, or instruct the undersigned as it sees fit.

Amram Shani Adv.
The Official Receiver
The Liquidator

SUBSCRIBE TO THE FT TODAY

Contact Gill Hart
in Frankfurt

Phone:
+49 69 7598101
Fax: +49 69 722677

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

ZIMBABWE

The FT proposes to publish this survey on 30 August 1991 and it will be distributed in 111 countries worldwide. If you want to reach this important audience, call

Louise Hunter
on 011 633 1333
or fax 071 873 3079.

FT SURVEYS

UK COMPANY NEWS

On the turntable for a fresh track

Straight talk from the new man in Telfos' cab. By Richard Gourlay

MR ROGER Pinnington has had his hands full climbing into the driver's cab at Telfos, the small but potentially important supplier of rolling stock to British Rail.

Of his two months as chairman, he has spent sifting through the wreckage left by the £8m bid aborted by William Cook in January.

The struggle has forced Telfos to reveal how badly it had gone off the rails.

The company's problems led to a string of top management departures. These included Mr Stephen Cockburn, the chairman, who eventually departed in April when Jenbacher, the Austrian rolling stock manufacturer, took a 51 per cent stake and injected £1m of fresh capital.

Whether the battered Telfos has a future in competition with ABB (through British Rail Engineering) and GEC Alsthom, as BR would like it to have, is the question the company must now address.

For the moment though, Telfos is in a "horror" state in its open market behind it, Mr Pinnington says.

Wednesday's publication of the results for the 15 months to March, which revealed pre-tax losses of nearly £8m and provisions and non-operational losses totalling more than £23m, left "no room for manoeuvre", he says.

"At board meetings we are now able to discuss the nature of the business and BR's policies," says Mr Pinnington, who was chairman of engineering group Blackwood Hodge until it was taken over by BMD Group last year.

"We are now focusing on trading as opposed to predators and financing."

Most of the problems relating to non-core investments were revealed at the time Jenbacher took its stake and are included in £1m of extraordinary provisions for the 1990 year.

The biggest loss was a £7.6m bank guarantee covering a speculative investment in

land near Scarborough - land is now in the books at just £800,000 - and a £4m provision in connection with a magnetic computer tape venture with Mr Richard Branson's Virgin Group.

On the operational side, Mr Pinnington believes the company is also behind the group, including a disastrous year at Ganz-Humlet, the Budapest joint venture with the Hungarian government. This foray into eastern Europe was supposed to have been a star performer.

At one time earlier this year, the 51 per cent-controlled venture was paying £5,800 a day in penalties to Hungarian Railways because of technical problems on which it had supplied.

Mr Pinnington says most of these penalties were retrieved in counter-claims. Nevertheless, the venture made operating losses of £1.5m in the 15 months compared to profits of £2.5m in the previous year.

As late as September, last year, Mr M. Mallin, the chief executive, presided over much of the expansion of the group, was forecasting profits of £2.5m from Ganz-Humlet in 1990.

Instead of facing technical problems and lack of funding in Hungary, Telfos is now faced with a lack of work, says Mr Pinnington.

The workforce has been halved to 500 and it is on target to break even this year, a far cry from the promise less than six months ago, but not something that will derail Telfos in the future, Mr Pinnington believes.

Quater Hall, the maker of minishaft equipment which made poor profits in 1990, has also now received orders delayed from earlier in the year.

The group is also reorganising its Leeds site and cutting the workforce there. It will now spare capacity at Leeds, rather than the Scottish site, to build rolling stock to meet its £80m contract with BR.

with a loss of £15.5m, which was struck after an exceptional write-down of £11.5m.

There was also a lower interest charge of £1.2m (£1.5m).

Group turnover was £55.8m. Earnings per share were 0.61p (losses 28.14p). There is again no dividend for the year.

Lancs & London
Net asset value of Lancashire & London Investment Trust was 97.5p at June 30, an improvement over the 88p at December 31, 1990, but some way short of the 125.1p achieved at end-June 1990.

The trust's first six months of this year rose to £10.7m (£10.7m) and earnings to 1.9p (1.7p) per share. The interim dividend is set at 1p.

Rights and Issues
The annual general meeting of Rights and Issues Investment Trust rose from 80.3p to 100.4p over the six months ended June 30. Net asset value of the capital shares rose by 44.4p to 94.5p.

The engineering and building products division produced a small improvement in trading profits.

An extraordinary profit of £172,000 represented a sale from the property portfolio. The division said that rental income would, however, be lower in the second half.

William Ransom
Sales of William Ransom & Son, manufacturing company, fell from £584,000 in 1990 to £502,000 pre-tax in the year to end-March. Turnover was £6.0m (losses with earnings of 1.54p) and a first half loss of £1.1m a total of £1.84p (same).

Abbeys
Abbeys, the Dublin-based house-builder, reported a pre-tax profit of £254,000 (£250,000) for the year to April 30, compared



Roger Pinnington: no stones were left unturned

Telfos will supply 37 Class 323 advanced electrical trains, with delivery scheduled from April 1992, and it has an option to supply up to 14 additional three-car

One of the main concerns has been to reassure a worried BR that its financial and boardroom problems will not threaten the contract.

Mr Pinnington says that backing of Jenbacher, positive net cash, the support of its banks and strong operating cashflow have now allayed those fears.

But even though Telfos has stopped venturing down side streets many of which ended in the investment equivalent of the shunting yard, its future as a railway rolling stock supplier to BR is in doubt.

Mr Pinnington recognises that with a market capitalisation of £35m, Telfos' small size

will be a barrier to it securing future BR orders in the next ordering round next year.

BR will want to see a financially restructured business which can fund an order of hundreds of millions of pounds not just £50m, he maintains.

"Telfos on its own is limited in what it can do, not because of its past problems - no one questions the technical side of our business - but because of its size."

The necessary restructuring might involve a rights issue, a joint venture or total acquisition by Jenbacher.

Mr Pinnington says his large Austrian shareholder is aware of this size constraint.

During the remainder of his first year at Telfos, he has the task of developing the group to a size necessary to be a serious player in the rolling stock market.

NEWS DIGEST

Distribution holds back Lilleshall

THE RECESSION continued to affect the industrial distribution activities of Lilleshall in the six months to June 30 and the group suffered a 38 per cent fall in taxable profits from £1.3m to £1.02m.

Group sales fell to £16.3m, of which the input from industrial distribution was £7.4m. Last time that division contributed £10m to an overall figure of £18.8m.

However, it underlines the problems in the second half the directors have raised the interim dividend to 1.5p (1.0p) on reduced fully diluted earnings of 4.3p (7.7p).

The engineering and building products division produced a small improvement in trading profits.

An extraordinary profit of £172,000 represented a sale from the property portfolio. The division said that rental income would, however, be lower in the second half.

William Ransom
Sales of William Ransom & Son, manufacturing company, fell from £584,000 in 1990 to £502,000 pre-tax in the year to end-March. Turnover was £6.0m (losses with earnings of 1.54p) and a first half loss of £1.1m a total of £1.84p (same).

Abbeys
Abbeys, the Dublin-based house-builder, reported a pre-tax profit of £254,000 (£250,000) for the year to April 30, compared

A final dividend of 1.875p makes a 5.20p (5.125p) total.

Chieftain
Lower pre-tax profits of £17,000 were announced by Chieftain Group, the USM-quoted supplier of special insulation and fireproofing services, for the half year to June 30. The comparable figure was £287,000.

An unchanged interim dividend of 1.9p is declared, payable from earnings of 4.05p (5.01p) per share. Turnover improved to £6.41m (£6.61m).

European Assets
Net asset value of European Assets Trust was £1.821 at June 30, against £1.758 a year earlier. In sterling terms the increase was slightly lower, at 11 per cent, from 22.3p to 24.7p, reflecting the strength of the pound to the guilders over the period.

Net income and earnings per share in the six months to June 30 were static at £1.45m and £1.011 respectively. The interim dividend is set at £1.008 in order to reduce the parity with the final.

ASLK-CGER IFICO
£50,000,000 GUARANTEED FLOATING RATE BONDS DUE 2000

Notice is hereby given that for the third six months interest period from July 31, 1991 to January 31, 1992 the Bonds will carry an Interest Rate of 6.6625 per annum.

Interest payable on January 31, 1992 against coupon No 3 will amount to US\$ 340.53 per US\$ 10,000 Bond and US\$ 3,405.28 per US\$ 100,000 Bond.

BANQUE UCL S.A. AGENT BANK

Jersey Phoenix
Net income of the Jersey Phoenix Trust amounted to £811,448 for 52 weeks to end-June, or earnings of 5.4p per share. The figures compare with £941,910 and 5.8p respectively for the 52 weeks to June 30 1990.

TECK CORPORATION

Notice to Unitholders Distribution Date August 6, 1991

On July 3, 1991 Teck Corporation issued pursuant to a Short Form Prospectus dated June 20, 1991 Units comprised of one Class B Subordinate Voting Share and one-half Class B Subordinate Voting Share Purchase Warrant.

The Prospectus provides that the Units are delivered by way of a registered certificate evidencing the Class B Subordinate Voting Shares and the Warrants, which Warrants become separable on or before September 30, 1991 on a date to be determined by the Directors of the Company, the Underwriters and the European Managers (the "Distribution Date"). They have determined August 6, 1991 as the Distribution Date and, accordingly, the registered certificates evidencing the Class B Subordinate Voting Shares and the Warrants will, after the close of business on August 6, 1991, represent only the number of Class B Subordinate Voting Shares set forth on such certificates. Unitholders of record at the close of business on August 6, 1991 will be mailed, during the week of August 6, 1991 certificates representing the Warrants to which they are entitled.

The Class B Subordinate Voting Shares and the Warrants into which the Units become separable on August 6, 1991 have been listed and posted for trading on the Toronto, Montreal and Vancouver Stock Exchanges. For additional information, please contact your broker or the Transfer Agent, National Trust Company, at its principal offices in Toronto, Calgary, Winnipeg, Vancouver and Montreal or Connaught St. Michael's Ltd. at its offices in London, Redfordshire, England.

During the period commencing the Distribution Date and ending December 15, 1993, each Warrant entitles its holder to subscribe for one Class B Subordinate Voting Share of Teck Corporation at a price of \$25.00 per Class B Subordinate Voting Share.

DATED at Toronto, Ontario, August 1, 1991

R.F. Moorman, Secretary

MIGRATE to USA

The new Immigration Act 1990 (USA) has made people born in the following countries eligible to apply for the Immigrant status of America:

Albania, Algeria, Argentina, Austria, Belgium, Bermuda, Czechoslovakia, Denmark, Estonia, Finland, France, Germany, Gibraltar, Great Britain, Northern Ireland, Guadeloupe, Hungary, Iceland, Indonesia, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, New Caledonia, Netherlands, Norway, Poland, San Marino, Sweden, Switzerland and Tunisia.

For further information please send your name and address and Fax No to IC-NTL 25 Avenue d'Orbail, 180 Brussels, Belgium Fax No (322) 376 67 46.

Deadline August 13, 1991

ICintl

Promote your image

We can supply reprints of articles / pages from the FT reduced to convenient sizes.

Minimum 100 copies.

Telephone Lorraine Spong. Tel: 071 873 3315

Financial Times
Number One Southwark Bridge Road
London SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

NOTICE TO THE WARRANTHOLDERS OF

TOKYU HOTEL CHAIN CO., LTD.
(the "Company")

U.S. \$70,000,000 3/4 per cent. Guaranteed Notes 1982 with Warrants (the "Warrants")

Notice is hereby given pursuant to Sections 3 and 4 of the Instrument dated 23rd September, 1987 relating to the Warrants, as follows:

(1) On 3rd, 9th and 18th July, 1991, Japan time, the Board of Directors of the Company resolved to issue on 25th July, 1991, U.S. \$120,000,000 1995 with Warrants.

(2) The issue on 25th July, 1991, of U.S. \$120,000,000 Notes 1995 with Warrants required an adjustment to the Subscription Price for the Warrants. The Subscription Price for the Warrants was adjusted from 1,128.4 to 1,114.7 Yen effective as from 26th July, 1991.

Tokyu Hotel Chain Co., Ltd.
Dated: 2nd August, 1991

Notice to the Warrant Holders of

THE ROYAL HOTEL, LIMITED
Osaka, Japan

Warrants to subscribe for shares of common stock of The Royal Hotel, Limited issued with

U.S. \$100,000,000
Guaranteed Bonds due 1994

Pursuant to Clause 4(E)(iii) of the Instruments dated 21st March, 1989 (the "Instruments") and in accordance with Condition 11 of the Terms and Conditions of the Warrants, notice is hereby given that:

Due to the change in its Articles of Incorporation to provide for the payment of interim dividends which was approved at the general meeting of shareholders held on 27th June, 1991, the "Dividend Accrual Period" in Condition 4 of the Terms and Conditions of the Warrants will be changed to each six month period ending 31st March or 30th September in each year.

THE ROYAL HOTEL, LIMITED
By: The Sumitomo Trust and Banking Co., Ltd.
as Principal Paying Agent and Warrant Agent

Dated: 2nd August, 1991

WORLD TEXTILE INDUSTRY

The FT proposes to publish this survey on 30 August 1991.

This survey will be relevant to those companies participating at ITMA and Intertext, to be held at the end of the year at the FT offices in London. The survey will be relevant to those companies participating at ITMA and Intertext, to be held at the end of the year at the FT offices in London.

For a copy of the editorial synopsis and advertisement details contact:

Paul Thompson
Telephone 061 534 9281
Fax 061 534 9282

FT SURVEYS

Nippon Steel International Finance P.L.C.

U.S. \$50,000,000

Dual Basis Notes due 1995

Notice is hereby given that for the six month Interest Period, from and including 31 July, 1991 to, but excluding, 31 January, 1992 the Rate of Interest will be 6.5125% per annum.

The Interest Amount on 31 January, 1992, will amount to U.S. \$3,451.39 per U.S. \$10,000 Note.

The Mitsubishi Bank, Limited
London Branch
As Agent Bank

2 August, 1991

BANQUE INTERNATIONALE A LUXEMBOURG S.A.

ECU 30,000,000 5 1/2% SUBORDINATED BONDS DUE 1996 WITH WARRANTS

Notice is hereby given to the Warrant Holders that, pursuant to the paragraph "Exercise of Warrants" point a) of the Terms and Conditions of the Warrants, at close of business in Luxembourg on NOVEMBER 20, 1991, warrants not then duly exercised will become void.

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme

Luxembourg, August 2, 1991

Currency & FF
Colonies
UK, European & International

CONTACT: DAVID KELLY
AT CHARTER HOUSE
Tel: 071 534 1171
Fax: 071 534 1166

SATQUOTE

THE COST EFFECTIVE REAL-TIME PRICE INFORMATION SERVICE
* FX * EQUITIES * FUTURES & OPTIONS *
* BONDS * ECONOMIC NEWS *
CALL - LONDON (071) 222-1100 - FRANKFURT (069) 439125

The Belfast challenge

By Vanessa Houlder

As the property recession tightens its grip on the UK, urban renewal schemes are usually viewed as the most vulnerable of victims.

The city is pressing ahead with its most ambitious scheme yet: a £100m development on a 1.5 acre site on the east of the River Lagan.

Instead of the waste ground and marshy place that now separates the waterfront from the city, a small boat marina, a multi-specialty shopping, a hotel and offices. In addition, the city proposes to build a conference centre and a concert hall.

The developers are an international consortium comprising the Ewart, a property developer, O'Hare & McGovern, a construction company and Enterprise International Develop-

ment Co. is a US company that was a Rouse, Inc. Corporation involved in projects in the US.

The project is between the sector. It is to be a redevelopment along one of the River Lagan. The project is owned by Council. The project is a multi-specialty shopping, a hotel and offices. In addition, the city proposes to build a conference centre and a concert hall.

The developers are an international consortium comprising the Ewart, a property developer, O'Hare & McGovern, a construction company and Enterprise International Develop-

ment Co. is a US company that was a Rouse, Inc. Corporation involved in projects in the US.

The project is between the sector. It is to be a redevelopment along one of the River Lagan. The project is owned by Council. The project is a multi-specialty shopping, a hotel and offices. In addition, the city proposes to build a conference centre and a concert hall.

The developers are an international consortium comprising the Ewart, a property developer, O'Hare & McGovern, a construction company and Enterprise International Develop-

ment Co. is a US company that was a Rouse, Inc. Corporation involved in projects in the US.

The project is between the sector. It is to be a redevelopment along one of the River Lagan. The project is owned by Council. The project is a multi-specialty shopping, a hotel and offices. In addition, the city proposes to build a conference centre and a concert hall.

The developers are an international consortium comprising the Ewart, a property developer, O'Hare & McGovern, a construction company and Enterprise International Develop-

ment Co. is a US company that was a Rouse, Inc. Corporation involved in projects in the US.

The project is between the sector. It is to be a redevelopment along one of the River Lagan. The project is owned by Council. The project is a multi-specialty shopping, a hotel and offices. In addition, the city proposes to build a conference centre and a concert hall.

The developers are an international consortium comprising the Ewart, a property developer, O'Hare & McGovern, a construction company and Enterprise International Develop-

ment Co. is a US company that was a Rouse, Inc. Corporation involved in projects in the US.

The project is between the sector. It is to be a redevelopment along one of the River Lagan. The project is owned by Council. The project is a multi-specialty shopping, a hotel and offices. In addition, the city proposes to build a conference centre and a concert hall.

The developers are an international consortium comprising the Ewart, a property developer, O'Hare & McGovern, a construction company and Enterprise International Develop-

ment Co. is a US company that was a Rouse, Inc. Corporation involved in projects in the US.

The project is between the sector. It is to be a redevelopment along one of the River Lagan. The project is owned by Council. The project is a multi-specialty shopping, a hotel and offices. In addition, the city proposes to build a conference centre and a concert hall.

The developers are an international consortium comprising the Ewart, a property developer, O'Hare & McGovern, a construction company and Enterprise International Develop-

ment Co. is a US company that was a Rouse, Inc. Corporation involved in projects

COMMODITIES AND AGRICULTURE

El Teniente miners spurn agreement and go on strike

By Pablo Bachelet in Santiago

ABOUT 9,000 workers at Chile's El Teniente copper mine, the world's second-biggest, went on strike early yesterday morning after angry miners forced union leaders to backtrack on an agreement to postpone the stoppage by 48 hours, said Mr. Pedro Courard, general manager of the mine.

The mine is operated by the state-owned Chile Copper Corporation (Codelco). The mine, Codelco's second largest with annual production of 500,000 tonnes of copper cathodes, employs about 10,000 miners, and includes a smelting and refining complex.

In a separate incident late on Wednesday night about 200 miners surrounded the site of the negotiations at the Universidad de Viña del Mar building in Rancagua, the provincial capital, and refused to allow union leaders who sought to explain the reasons for the postponement.

"There was physical aggression against union leaders," provoked by what he called "gangsters", Mr. Courard told a local radio station.

Amid cries of "strike, strike, strike" the crowd, the leaders returned to the negotiating table and sought to cancel the postponement. Management refused and Mr. Courard described the strike as "completely illegal".

studying all the actions as "tense" with miners worked up.

In spite of Union's determination to go ahead with the strike - the union this year at Codelco, after Chuquibambilla, the corporation's biggest mine, was paralysed for two weeks last month - Mr. Courard said: "We were very close to reaching agreement [with Union No. 10] and the leaders themselves had asked for the postponement to give them time to explain to the rank and file the new contract and submit it to a vote on Friday."

Miners are negotiating in two stages with Union No. 10 to No. 7 operating as one large Union No. 8. The largest with 10,000 miners bargaining separately. Late on Wednesday night Union No. 8, which groups mine and concentrator employees, opted to reject the latest company offer and decided to strike, while the others decided to postpone the strike.

Mr. Marchant, a union spokesman, said that the mine, which has an annual production of 230,000 tonnes of copper, was demanding a 35 per cent real increase in wages, while the company was offering only a 12 per cent rise.

Mr. Maximiliano Diaz, human resources manager at the mine, said that the company could not satisfy union demands. "Last year our after-tax profits were \$11m," he said, "and the bill to satisfy miners' demands would be \$16m."

He said the company had enough stocks to stand a work stoppage for "a few months" necessary.

US peanut importers fail to fill raised quota

By Nancy Dunne in Washington

PRESIDENT Bush's decision to raise the US peanut quota to 100,000 lb from 75,000 lb resulted in an increase in imports of only about 17,000 lb, according to US peanut brokers.

Only Argentina had new crop peanuts available for export, and it was almost impossible to import even 100,000 lb in the 25 days given by the presidential proclamation on the expanded quota.

Mr. Claudio Arce, a small New Jersey importer, barely beat the July 31 deadline. "I don't have any more peanuts," he said yesterday. "I ate every one of them."

Mr. Arce, who for years has successfully imported peanut butter from Argentina, had waited for months, along with other importers and peanut butter users, for a presidential decision to expand the quota.

Finally, in March the International Trade Commission advised President Bush to allow a 300m lb increase.

However, the free trade advocates of the US Trade Representative's Office were busy at the time trying to get Congressional renewal of the president's fast-track trade negotiating authority. Reportedly, they gathered some of their support from Southern legislators by agreeing to oppose the expanded quota.

President Bush finally acted on July 5, but only sanctioned a 100m lb quota. To ensure there was no slippage in the 25-day limit on imports, Congress urged the president, in a letter, "to maintain this date for entry and not to grant any deadline extension or waiver."

The Customs Service entered the picture, requiring that the peanut importers have a USDA inspection certificate or that the importer deposit a sum worth triple the value of the shipment.

Brokers located some Chinese-produced peanuts in Canada and brought them across the border only to find them to be bonded warehouses where they could be inspected.

Argentine shipments take 28 days. Mr. Arce had to deposit a \$2.5m bond at a cost of \$60,000 in bank fees. His shipment managed to arrive on July 30. However, the customs service, which he said usually inspects 2% of a cargo, insisted on taking samples from each container - 160 lb, worth about \$4,500 - which had to be thrown away after testing.

"I don't think we'll make any money on this shipment," Mr. Arce said. "But we moved 30m lb in four days and demonstrated that we can supply the US - just as we have been supplying Europe for years."

Soviets likely to need more credits after poor harvest

By John Lloyd in Moscow

THE SOVIET harvest now being gathered looks like being the worst for many years. This, coupled with the country's chronic shortage of hard currency for importing grain, is likely to force the USSR to press the West for further credits for grain imports to avoid real hunger this winter.

Sales of grain to the state are lower than last year, because of widespread hoarding by producers. The ministry of agriculture reported that 80 per cent of the crop was being kept by producers, resulting in a sale to the state by the end of July of only 15.3m tonnes.

Collective and state farms hoard grain in order to barter it later as prices go up for machinery and other goods.

Mr. Fyodor Senko, the Soviet deputy prime minister, has warned that this practice "would be a disaster for the country".

A report yesterday in the headline newspaper *Pravda* said that machinery was "totally unprepared" for the harvesting campaign.

For instance, in the usually highly productive area of Voronezh, 2,000 combines are standing idle for lack of spare parts, and only 2,500 batteries have been delivered where 15,000 are needed.

The hardest hit republic in the Soviet Union is Kazakhstan, plagued by drought and now harvesting only about 10 million (1 tonne) a hectare.

Mr. Nursultan Nazarbayev, Kazakhstan's president, has appointed a 17-member special commission charged with extraordinary powers.

It includes in its membership the heads of the republican KGB and the interior ministry, and conscript every available man, woman and child to bring in as much of the harvest as possible.

The commission is the right to fix the amounts of grain given to the government by state and private farms, and to requisition trucks and even private cars to transport it to warehouses. Soldiers, school and college students and factory workers will be pressed into service in the fields in an effort to avoid critical shortages.

In a meeting with republican leaders at Nur-Sultan last week, Mr. Mikhail Gorbachev, the Soviet president, announced that they had agreed emergency measures for ensuring adequate food supplies - "we must find and we will find the necessary ways", he said.

The Soviet Union has just been granted \$1.5bn (280m) worth of credits to buy grain and feedstock from the US.

This is on top of a \$1bn credit line last December, plus other credits from Canada, Australia and western European states.

Fall forecast in world wheat output

By Richard Mooney

THE INTERNATIONAL WHEAT Council has further lowered its forecast of world wheat production in 1991-92. It now puts output at 560m tonnes, compared with the 565m tonnes it was forecasting a month ago and last year's record of 565m tonnes.

In its latest Grain Market Report the council says the biggest cuts are for China and the Soviet Union, "where entrenched problems such as limited storage and poor internal transport were compounded by adverse weather".

Argentina and Australian wheat harvests are expected to be down on last season; Canadian and the European Community to be higher.

Soviet crop worries have also been the biggest factor in the council cutting its projection for world coarse grains production by 13m tonnes to 1,377m tonnes. That compares with 1,418m tonnes in 1990-91. Lack of rain in the US corn belt was also of concern in the coarse grains sector.

Low metals prices result in 'relatively modest' mining cuts

By Kenneth Gooding, Mining Correspondent

MINING AND metals companies so far have announced relatively modest cuts in production capacity even though metals prices have fallen sharply during the recession which is affecting demand at the industrialised world.

Worldwide completed or planned between 1990 and 1992 by the copper industry, for example, is about 233,000 tonnes of annual capacity, according to an analysis by the mining team at Ord Minnett, part of the Westpac banking group, and the Metals & Minerals Services consultancy organisation.

This represents about 2.74 per cent of last year's copper output in countries outside the former Communist bloc. Copper prices have stayed high, but the widely held view is that there will be a supply surplus this year. The London Metal Exchange spot price for copper fell by only 2.3 per cent, from US\$1.174 a lb to \$1.072, in the first six

months of 1991. Of the metals traded on the LME, lead showed the biggest price fall in the period, by 31.3 per cent, from 39.3 cents a lb to 26.3 cents.

Ord Minnett-MMSRS analysis shows that production cuts planned or implemented by lead companies total 108,000 tonnes of annual capacity or 2.46 per cent of last year's output of refined lead.

Zinc suffered a price drop almost as substantial as that of lead - by 27.8 per cent from 72.4 cents a lb to 52.3 cents. Cuts planned by the industry are also relatively substantial: 361,000 tonnes of capacity or 6.9 per cent of last year's output of refined zinc.

However, this includes worn out capacity being closed in VCO industries, price per tonne, daily price for Aug 1 1991 (792.57).

Ord Minnett and MMSRS point out that some of the other cuts and closures planned by the industry are

not necessarily related to the recessionary environment. Aluminium prices, already relatively depressed at the start of 1991 but in the first seven months fell by another 8.9 per cent from 99.6 cents a lb to 83.4 cents. Planned cuts in primary aluminium smelter capacity total 250,000 tonnes or 1.7 per cent of last year's output.

Ord Minnett and MMSRS say it is virtually impossible to track cuts in tin production. But so far this year at the smelting end of the business, the UK has closed its only tin smelter (Copper Pass in Hull). Brazil has shut its year-old Estanbras smelter in Minas Gerais; the Kinemat smelter in Singapore has closed and Korea Zinc has stopped producing tin at its Ulsan smelting complex.

The tin price fell by about 11.5 per cent in the first seven months of 1991, from \$2.88 a lb to \$2.55 at which level most of the world's tin mining and smelting operations are loss-makers.

MARKET REPORT

COCOA PRICES on the London Futures and Options exchange were quite buoyant yesterday, with the delivery (the new second position) ending £12 to £295 a tonne. Traders said the bulk of volume still remained in the near term, taking it to £13 a tonne. Copper prices had registered a sharp rise early on, but reports from the LME market were quiet, although nickel managed a \$100-a-tonne rise that nearly brought its recovery from the falls registered on Monday and Tuesday.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB) + or -

Dubai 18.15-18.20

Brent 18.15-18.20

WTI 18.15-18.20

Oil products

WTI (per barrel FOB) + or -

Gas oil 18.15-18.20

Heavy fuel oil 18.15-18.20

Naphtha 18.15-18.20

Petroleum Argus Estimates

Other

Gold (per troy oz) 359.50

Silver (per troy oz) 108.50

Platinum (per troy oz) 359.50

Palladium (per troy oz) 359.50

Copper (US Producer) 105.00

Lead (US Producer) 105.00

Tin (Kuala Lumpur market) 18.15-18.20

Van (New York) 204.00

Zinc (US Prime Western) 105.00

(live weight) 107.25

Sheep (head weight) 122.50

Pigs (live weight) 62.50

London daily sugar (raw) 30.4

(live weight) 32.0

Barley (English feed) 110.00

Maize (US No. 3 yellow) 110.00

Wheat (US Dark Northern) 110.00

COCOA - London POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 2039 (4000 lots in 10 minutes)

VCO indicator price (US cents per pound) for Aug 1 1991 (792.57)

COFFEE - London POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 2039 (4000 lots in 10 minutes)

VCO indicator price (US cents per pound) for Aug 1 1991 (792.57)

POTATOES - London POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

WORLD COMMODITIES PRICES

(Prices supplied by Amalgamated Metal Trading)

ALUMINIUM, 99.7% purity (3 per tonne)

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 105.00 (100 lots in 10 minutes)

BRASS - London POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 105.00 (100 lots in 10 minutes)

IRON - London POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 105.00 (100 lots in 10 minutes)

STEEL - London POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

NEW YORK

(Prices supplied by Amalgamated Metal Trading)

ALUMINIUM, 99.7% purity (3 per tonne)

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 105.00 (100 lots in 10 minutes)

BRASS - New York POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 105.00 (100 lots in 10 minutes)

IRON - New York POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

Oct 105.00 105.00 105.00

Nov 105.00 105.00 105.00

Dec 105.00 105.00 105.00

Jan 105.00 105.00 105.00

Feb 105.00 105.00 105.00

Mar 105.00 105.00 105.00

Turnover: 105.00 (100 lots in 10 minutes)

STEEL - New York POX

Close Previous High/Low

Aug 105.00 105.00 105.00

Sep 105.00 105.00 105.00

CHICAGO

Handwritten note in Arabic script: "هذا ما في الملف"

LONDON SHARE SERVICE

FT Cityline. Calls charged at 34p/minute cheap rate and 45p/minute all other times. To obtain your free Share Code Booklet ring 071-625-2128

Table with 4 columns: Stock, Price, % Change, and Volume. Section: AMERICANS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BUILDING, TIMBER, ROADS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: DRAPERY AND STORES - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: ENGINEERING

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: CANADIANS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BUILDING, TIMBER, ROADS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: DRAPERY AND STORES - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: ENGINEERING

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BANKS, HP & LEASING

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BUILDING, TIMBER, ROADS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: DRAPERY AND STORES - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: ENGINEERING

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BEERS, WINES & SPIRITS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BUILDING, TIMBER, ROADS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: DRAPERY AND STORES - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: ENGINEERING

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BUILDING, TIMBER, ROADS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: BUILDING, TIMBER, ROADS

Table with 4 columns: Stock, Price, % Change, and Volume. Section: DRAPERY AND STORES - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: ENGINEERING

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

Table with 4 columns: Stock, Price, % Change, and Volume. Section: INDUSTRIALS (Misc.) - Contd

LONDON SHARE SERVICE

● Latham Share Prices are available on FT Cityline. Calls charged at 34p/minute cheap rate and 45p/minute at all other times. To obtain your free Share Code Booklet ring 071-925-2128

LEISURE

1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

■ Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute per line and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-212

Left Charge	Case Price	Std Price	Diff Price	+ or -	Yield %
1	100	100	0	0	100
2	100	100	0	0	100
3	100	100	0	0	100
4	100	100	0	0	100
5	100	100	0	0	100
6	100	100	0	0	100
7	100	100	0	0	100
8	100	100	0	0	100
9	100	100	0	0	100
10	100	100	0	0	100
11	100	100	0	0	100
12	100	100	0	0	100
13	100	100	0	0	100
14	100	100	0	0	100
15	100	100	0	0	100
16	100	100	0	0	100
17	100	100	0	0	100
18	100	100	0	0	100
19	100	100	0	0	100
20	100	100	0	0	100
21	100	100	0	0	100
22	100	100	0	0	100
23	100	100	0	0	100
24	100	100	0	0	100
25	100	100	0	0	100
26	100	100	0	0	100
27	100	100	0	0	100
28	100	100	0	0	100
29	100	100	0	0	100
30	100	100	0	0	100
31	100	100	0	0	100
32	100	100	0	0	100
33	100	100	0	0	100
34	100	100	0	0	100
35	100	100	0	0	100
36	100	100	0	0	100
37	100	100	0	0	100
38	100	100	0	0	100
39	100	100	0	0	100
40	100	100	0	0	100
41	100	100	0	0	100
42	100	100	0	0	100
43	100	100	0	0	100
44	100	100	0	0	100
45	100	100	0	0	100
46	100	100	0	0	100
47	100	100	0	0	100
48	100	100	0	0	100
49	100	100	0	0	100
50	100	100	0	0	100
51	100	100	0	0	100
52	100	100	0	0	100
53	100	100	0	0	100
54	100	100	0	0	100
55	100	100	0	0	100
56	100	100	0	0	100
57	100	100	0	0	100
58	100	100	0	0	100
59	100	100	0	0	100
60	100	100	0	0	100
61	100	100	0	0	100
62	100	100	0	0	100
63	100	100	0	0	100
64	100	100	0	0	100
65	100	100	0	0	100
66	100	100	0	0	100
67	100	100	0	0	100
68	100	100	0	0	100
69	100	100	0	0	100
70	100	100	0	0	100
71	100	100	0	0	100
72	100	100	0	0	100

Bell Court Fund Mgmt PLC 1400HF
 11, Blomfield St, London EC2M 3LS 071 774 2623/4
 Answer 24 h 2104 23 104 23 1202 33 1501 11 06
 UK & European \$166 42 367 44 403 661 0 481 21

[illegible]

Accounts	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.63	5,996.6
----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------

Location	Manchester	Norwich	061 236 5367
Portland St.	5483 79	58 65 74	02-06 00
Sy & Co	5185 39	71 13	02-06 00
W. F. Road Int	70 09 70	71 17	02-06 00
Income	5301 05 14	5137 40	02-06 05
Rational	5173 23 73	70 24	02-06 02
Co's	5152 71	58 46	02-06 03

1700 houses (46% of 1971) is undergoing. Daily dwelling prices are set on the basis of the valuation point, a short period of time very shortly before prices become available.

**For immediate and long term
Security Organizations,
see Police,
New Oxford Street, London WC6H 8EH
071-378-9444.**

1990	5%	42.87	43	42	43	70	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46	46
------	----	-------	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

[illegible]

Completed with the assistance of Claude J.

[illegible]

For Agency (0000) Tel or AEGON Unit Tel				Smith & Williamson Unit Tel 000000			
Reliance Unit Mgrs. Ltd (0000H) British Equities 1,540 53 88 220 71 50 British Life 1,540 53 88 220 71 50 British Life 1,540 53 88 220 71 50 Reliance (Acc) 1,540 53 88 220 71 50				1. Reding House St, London W1A 1AA 2. A.M. Condon & Co 3. A.M. Condon & Co 4. A.M. Condon & Co 5. A.M. Condon & Co 6. A.M. Condon & Co 7. A.M. Condon & Co 8. A.M. Condon & Co 9. A.M. Condon & Co 10. A.M. Condon & Co			
Rack Asset Mgmt (Unit Trust) Ltd (0000F) Park View House, Fleet Street, London Investment Office 1,540 53 88 220 71 50 Manager 516 71 68 37 92 341 10 34				Severnside Unit Tel Mgrs. Ltd (0000F) 12 Oldchurch Rd, Ipswich Cash 1,540 53 88 220 71 50 UK Equities 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50 UK Life 1,540 53 88 220 71 50			
Wellthful Fund Management (0000H) 1. Wellthful Fund Management 2. Wellthful Fund Management 3. Wellthful Fund Management 4. Wellthful Fund Management 5. Wellthful Fund Management 6. Wellthful Fund Management 7. Wellthful Fund Management 8. Wellthful Fund Management 9. Wellthful Fund Management 10. Wellthful Fund Management				Standard Life Tel Mgmt Ltd (0000F) 1. George St, Edinburgh 2. George St, Edinburgh 3. George St, Edinburgh 4. George St, Edinburgh 5. George St, Edinburgh 6. George St, Edinburgh 7. George St, Edinburgh 8. George St, Edinburgh 9. George St, Edinburgh 10. George St, Edinburgh			

■ Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per min. and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-21

GUERNSEY REGULATORY

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring 0731 635 330.

[illegible]

r 18
 hem
 your
 rces
 ily.
 980s
 : in
 ad to
 ame
 rket
 ped. d.
 olid
 held
 ave
 but
 ave
 100
 's is
 ual
 gust
 rdey
 and
 Ken
 and
 e of
 :ous
 ncy
 vide
 eign
 to
 tie's
 000
 r of
 and
 by's
 the
 r of
 laim
 ade
 cing
 the
 is a
 iays
 his
 nam
 the
 of a
 the
 e us,
 f no
 h a
 An
 has
 rld;
 this

1

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Economic factors boost dollar

US ECONOMIC news generally regarded as favourable yesterday, taking the dollar to a peak of DM1.7500 and technical resistance at DM1.7550. It touched a peak of DM1.7620 and closed towards the top of the day's range.

The National Association of Purchasing Managers index rose to 51.8 in July, from 50.3 in June, the sixth consecutive monthly increase. It was also the second straight month that the index had been over 50: a reading above 50 indicates the manufacturing sector is expanding.

The monthly survey also showed that production rose sharply in July, for the second consecutive month, while new orders for manufactured goods were up for the third month in a row, but at a slower rate than in June.

US construction spending in June rose 0.3 per cent, but May spending was revised to a drop of 1.7 per cent from 0.9 per cent. On the other hand this mixed news about the economy was offset by a fall to 404,000 in new applications for unemployment insurance benefits, on a seasonally adjusted basis, during the week ended July 20. This was a decrease of 21,000 from the previous week.

The market is now waiting for today's US employment data for July. A rise to 7.1 from

7.0 per cent in the unemployment rate will not cause as much surprise, but would generally expect non-farm payrolls to rise by about 50,000 after falling 50,000 in June.

At the London close the dollar had climbed to DM1.7580 from DM1.7450; to Y137.65 from Y127.35; to Sfr1.5350 from Sfr1.5250; and to FF9.9725 from FF9.9585. Its index rose to 66.9 from 66.8.

Sterling weakened in line with most major currencies against the dollar, but offset by small changes. There were no line changes. The pound remained the third European member of the European exchange mechanism.

Sterling fell 1.10 to \$1.8740. It also slipped to Y230.50 from Y231.50 and to FF10.0000 from FF10.0000, but was unchanged at Sfr2.5700 and rose to DM2.9425 from DM2.9400 against the D-Mark.

The pound's index fell 0.1 to 66.8.

The D-Mark stayed the fourth strongest currency in the ERM, waiting for the next meeting of the German Bundestag council, around the middle of this month, amid speculation of a higher interest rate in Frankfurt. The dollar fell to DM1.7465 from DM1.7458 at the fixing, without any intervention by the Bundesbank.

The French franc was above the Danish krone, according to figures from the European Commission, but was only slightly off the bottom of the ERM. At the Paris fixing the French franc, which had been ERM currency, rose to FF9.9725 from FF9.9585.

As expected, yields rose at yesterday's tender for Spanish Treasury bills. The yield on one-year paper climbed 0.312 points to 12.345 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

Currency	Unit	Rate	% Change
Belgian Franc	100	133.48	-0.05
Dutch Guilder	100	2.3645	-0.01
French Franc	100	6.5596	-0.01
German Mark	100	1.9364	-0.01
Italian Lira	1,000	1,936.27	-0.01
Spanish Peseta	100	166.64	-0.01
Swiss Franc	100	1.5200	-0.01
UK Pound	100	1.8740	-0.01

Percentages change are for the European Commission. Conversion rates are in descending order of strength. Percentages change are for the European Commission. Conversion rates are in descending order of strength.

STERLING INDEX

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

CURRENCY MOVEMENTS

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

CURRENCY RATES

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

OTHER CURRENCIES

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

EXCHANGE CROSS RATES

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

FINANCIAL FUTURES AND OPTIONS

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

CHICAGO

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY BILLS

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY BONDS

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY NOTES

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY LONG-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY LONG-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY LONG-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

FINANCIAL FUTURES AND OPTIONS

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

CHICAGO

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY BILLS

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY BONDS

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY NOTES

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY LONG-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY LONG-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY LONG-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

U.S. TREASURY SHORT-TERM

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

FINANCIAL TIMES FRIDAY AUGUST 1991

MONEY MARKET FUNDS

Money Market Trust Funds

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

Money Market Bank Accounts

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

Money Market Bank Accounts

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

Money Market Bank Accounts

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

Money Market Bank Accounts

Aug 1	Aug 2	Aug 3	Aug 4
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740
1.8740	1.8740	1.8740	1.8740

Money Market Bank Accounts

Aug 1	Aug 2	Aug 3	Aug 4
-------	-------	-------	-------

[illegible]

TRAVELLING ON BUSINESS TO BRUSSELS ?

Enjoy reading your complimentary copy of the
FINANCIAL TIMES
when you are at the

SCANDIC CROWN HOTEL

BRUSSELS

Tel: (02) (02) 220.66.11 Fax: (32) (02) 217.84.44

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

[illegible]

pm prices August ■

[illegible]

3:00 pm prices August 1

[illegible]

AMERICA

Dow follows bonds lower despite favourable data

Wall Street

A RISE in long-term interest rates left share prices slightly lower yesterday morning, in spite of some mildly encouraging economic news, writes Patrick Harrison in New York.

By 1 pm the Dow Industrial Average was 10,732, 3,014.09. The more broadly-based Standard & Poor's 500 was also lower in mid-session, dropping 0.89 to 386.92 by 1 pm, while the Nasdaq composite index of over-the-counter stocks was marginally higher, up 0.53 to 522.56. Turnover on the NYSE was 106m shares by 1 pm.

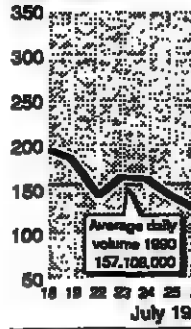
Although yesterday's economic data should have been a boost to market sentiment, a drop in bond prices which pushed up long-term yields proved a more influential factor. Bonds were down in the wake of a promising drop in the number of unemployment insurance claims during the third week in July, a fall in the National Association of Purchasing Management's July index, and a modest increase in June consumer spending. The data was consistent with the view of a slowly recovering economy, and reduced the likelihood that the Federal Reserve will cut rates.

Among individual stocks, American Express jumped 2 1/2% on turnover of 1.5m shares after the company announced Mr Warren Buffett, the financier, is investing in the travel and financial services group. His company, Berkshire Hathaway, is buying \$800m worth of private equity preferred securities. McDonnell Douglas fell 1 1/2% to \$56 1/2 after the company confirmed that the Pentagon refused to take delivery of military aircraft from McDonnell's St Louis plant because of possible inadequate inspections. Logicon rose 1 1/2% to \$27 1/2 after reporting a near doubling in fiscal first quarter profit to 80 cents a share. The figure was above most forecasts.

Hogen climbed 1 1/2% to \$29 1/2 on the back of a recommendation from the sector analyst at Merrill Lynch, the leading

NYSE volume

Daily (million)



Average daily volume 1990

152,700,000

July 1991

10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

100 150 200 250 300 350

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

Shares

shares after the company announced Mr Warren Buffett, the financier, is investing in the travel and financial services group. His company, Berkshire Hathaway, is buying \$800m worth of private equity preferred securities. McDonnell Douglas fell 1 1/2% to \$56 1/2 after the company confirmed that the Pentagon refused to take delivery of military aircraft from McDonnell's St Louis plant because of possible inadequate inspections. Logicon rose 1 1/2% to \$27 1/2 after reporting a near doubling in fiscal first quarter profit to 80 cents a share. The figure was above most forecasts.

Hogen climbed 1 1/2% to \$29 1/2 on the back of a recommendation from the sector analyst at Merrill Lynch, the leading

broking firm. The analyst raised the medium-term rating on the stock to "above average" of expected 1991 earnings of \$3.50 in royalties from Biogen's Intron A drug and Hepatitis B vaccine. Schering-Plough, Biogen's marketing partner for Intron A, was unchanged at \$33 1/2 yesterday. Valley Capital, which earlier this week announced that it was looking for a buyer, soared 5 1/4% to \$33 1/2 after BankAmerica agreed to take over the company in a stock swap deal valued at about \$400m, or \$37 a share.

Petroleum Equipment added 1 1/4% to \$4 1/2 on the news that it is to merge with Weatherford International, with each of its shares being swapped for 0.8 of a Weatherford share. Weatherford, listed on the American Stock Exchange, firmed 1/2% to \$5 1/2.

Canada

TORONTO stocks held steady

at slightly lower levels at midday, with little news to enliven trading. The composite index rose 7.1 to 3,352.5. Declines led advances by 123 to 169 on volume of 9.7m shares.

Among the losers were Petro-Canada

which fell 1/4% to \$21 1/2, and Noranda, 1/2% lower at \$19 1/2.

Corus rose 1/2% to \$28 1/2 while Lac Minerals was steady at \$29 1/2.

EUROPE

Continent reacts to flurry of interim results

INTERIM results dictated the Continent's direction yesterday, writes Our Markets Staff.

FRANKFURT made initial progress with share prices up about 0.5 per cent, but a 25-minute power failure took the initiative out of the market and the DAX index closed flat at 322.56, up 0.25, after a 1.24 decline to 321.32 in the FAZ at mid-session. Volume fell from DM4.7m to DM4.2m.

In insurance, high-profile stocks like Allianz and Allianz fell DM50 to DM520 and DM460 to DM210 respectively, which Munich Re put on DM25 to DM246.5. In retailing, Douglas

Karstadt and Kaufhof both put on DM9, to DM58 and DM468. In banks, Deutsche Bank rose DM4.40 to DM48.40 as it reported a 23 per cent jump in group operating profits while BHF Bank fell DM5 to DM377 after a rise of only 8 per cent in group partial operating profits.

Mr Reinhard Fischer at Paribas Capital

while German banks carefully hone their talent to confuse in these progress reports, but that the Deutsche Bank figures were good. The market might continue to appreciate them over the next few days, he added.

However, there seemed to be no question about the results from Schering, which left the

shares DM19 lower at DM84. Paribas had recommended to sell Schering or switch into Bayer more than a week ago.

AMSTERDAM was lifted by excellent first-half results from Philips. The CBS Tendency index rose 0.5 to 88.7.

Philips jumped F11.40 or 4.2 per cent to F134.40 in heavy trading after reporting that second quarter profit from normal operations surged to F1187m from F137m. Mr Ian Blackford of UBS Phillips and Drew said he was encouraged by the improvement in operating profits and the drop in interest payments.

But DSM's second quarter results fell short of expectations, prompting some analysts to reduce their full year forecasts. DSM reported a net profit, excluding extraordinary items, of F1134m after F1234 a year earlier. DSM finished F12.10 to F1109.00 though analysts said its support

dividend offered some support.

HCS Technology was suspended again and Wednesday's transactions in the stock were annulled by the stock exchange, on the grounds that investors had not been adequately informed about the company's situation.

PARIS heart beat from a steady franc, a rising Maf, and strong futures on the first day of the new futures con-

FT-SE Eurotrack 100 - Aug 1

Hourly changes									
Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	4 pm	5 pm	Close
1113.77	1113.18	1113.76	1114.47	1114.07	1114.75	1114.35	1114.40		
Day's High 1115.14									
Day's Low 1107.95									
Jul 25	Jul 26	Jul 27	Jul 28	Jul 29	Jul 30	Jul 31	Aug 1	Aug 2	Aug 3
1107.95	1107.95	1104.82	1104.82	1105.03	1105.03	1111.51			

Source: Reuters

The CAC 40 index closed at 1,768.81, up 12.05 in volume of FFR4.4bn after FFR2.4bn on Wednesday, which had been boosted by the expiry of options.

Analysts said that the house was more lively than in recent sessions, on renewed hopes that the Bundesbank would not raise rates at its council meeting on August 15, leaving the way free for a cut in French interest rates. These hopes, and strong interim results from German banks, lifted financials. Suez rose FFR2.10 to FFR30.10, CCP added FFR4 to FFR152.50 and Banceaire put on FFR10 to FFR500.

A block trade of 370,000 metal shares boosted activity. The stock gained FFR6 to FFR260 after the holding company Paribas said it had tightened its control of metal by buying a 3.2 per cent stake from the investment company Euris.

Media and tourism group

was up FFR1.10 higher at FFR478.10. Flemings Research issued a positive recommendation on the stock last week and another London-based broker is about to issue a favourable report.

MADRID advanced in thin trading, the Madrid general index closing 1.85 higher at 371.20 in turnover down from Ptas10bn to Ptas7bn.

The Treasury's decision to raise the T-bill yields from 11.25 to 11.50 per cent had little impact. Analysts said that the move was aimed at cutting the gap between secondary and primary market yields and to imply a tightening in monetary policy.

Banks, utilities and

construction led banks with a Banesto led banks with a Banesto rise to Ptas3.75, Hidrola put on Ptas15 to Ptas50 in utilities and Ciberias, in construction, closed Ptas10 higher at Ptas16.980. On Wednesday, the Madrid engineering

company, Entrecanales, took a 21.5 per cent stake in the UK construction company.

MILAN was again lifted by the banking sector. But turnover was thin, estimated at no more than L85bn after Wednesday's L85bn, suggesting that firmer banking shares were due more to sector rotation than to fresh investment. The Comindex rose 4.01 to 57.29.

Banco di Napoli rose L2 to L2.070 while Mediobanca added L280 or 1.7 per cent to L16,000. Banco Ambrosiano Veneto put on L110 to L5,150 on speculation that the insurer Generali could pull out of its shareholder syndicate.

Eridania, the sugar and starch company controlled by Ferruzzi, rose L55 to L7,465. Yesterday the EC approved Eridania's takeover of Industria Saccharifera Italiana.

BRUSSELS was held back by flat interim results from Petrofina. The Bel 20 rose 1.59 to 1,141.67 in volume of BFR551m. Petrofina accounted for one-third of the total volume as it closed down BFR75 at BFR11.57.

STOCKHOLM overcame a weak opening. Astra again dominated trading, its free B shares adding SKr13 to SKr85. The Allshare general index rose 9.9 to 1,235.5 in volume of SKr364m after SKr1.57bn.

After having grown at an impressive rate of around 3 per cent per annum during the 1980s, the Finnish economy is expected to shrink by as much as 1 per cent this year, but grow by between 0.5 and 1.5 per cent in 1992. Part of Finland's severe recession is due to a near-collapse in Finnish-Soviet trade.

One of the few positive indicators in the Finnish economy at this moment is the current account deficit, which the government expects to decline from last year's FM25.5bn to FM19.8bn, accounting for 4.9 and 3.7 per cent of GDP respectively. A trade surplus is also

expected for next year and this should help the current account deficit further. In 1991, the current account deficit is expected to be 5.5 per cent of GDP.

Company profits in 1991 are expected to make a rapid recovery. Meanwhile, Mr Lawrence believes that the country's deep recession is diverting investors' attention from the positive recommendations made last month by a prominent foreign investment committee.

The committee recommended lifting all restrictions on foreign ownership of Finnish equities, and plans to scrap the so-called restricted and free share system. It expects this new legislation to be in force at the beginning of 1992.

Like Sweden - is serious about adopting efficient European asset management techniques in future.

After having grown at an impressive rate of around 3 per cent per annum during the 1980s, the Finnish economy is expected to shrink by as much as 1 per cent this year, but grow by between 0.5 and 1.5 per cent in 1992. Part of Finland's severe recession is due to a near-collapse in Finnish-Soviet trade.

One of the few positive indicators in the Finnish economy at this moment is the current account deficit, which the government expects to decline from last year's FM25.5bn to FM19.8bn, accounting for 4.9 and 3.7 per cent of GDP respectively. A trade surplus is also

expected for next year and this should help the current account deficit further. In 1991, the current account deficit is expected to be 5.5 per cent of GDP.

Company profits in 1991 are expected to make a rapid recovery. Meanwhile, Mr Lawrence believes that the country's deep recession is diverting investors' attention from the positive recommendations made last month by a prominent foreign investment committee.

The committee recommended lifting all restrictions on foreign ownership of Finnish equities, and plans to scrap the so-called restricted and free share system. It expects this new legislation to be in force at the beginning of 1992.

Like Sweden - is serious about adopting efficient European asset management techniques in future.

After having grown at an impressive rate of around 3 per cent per annum during the 1980s, the Finnish economy is expected to shrink by as much as 1 per cent this year, but grow by between 0.5 and 1.5 per cent in 1992. Part of Finland's severe recession is due to a near-collapse in Finnish-Soviet trade.

One of the few positive indicators in the Finnish economy at this moment is the current account deficit, which the government expects to decline from last year's FM25.5bn to FM19.8bn, accounting for 4.9 and 3.7 per cent of GDP respectively. A trade surplus is also

expected for next year and this should help the current account deficit further. In 1991, the current account deficit is expected to be 5.5 per cent of GDP.

Company profits in 1991 are expected to make a rapid recovery. Meanwhile, Mr Lawrence believes that the country's deep recession is diverting investors' attention from the positive recommendations made last month by a prominent foreign investment committee.

The committee recommended lifting all restrictions on foreign ownership of Finnish equities, and plans to scrap the so-called restricted and free share system. It expects this new legislation to be in force at the beginning of 1992.

Like Sweden - is serious about adopting efficient European asset management techniques in future.

After having grown at an impressive rate of around 3 per cent per annum during the 1980s, the Finnish economy is expected to shrink by as much as 1 per cent this year, but grow by between 0.5 and 1.5 per cent in 1992. Part of Finland's severe recession is due to a near-collapse in Finnish-Soviet trade.

One of the few positive indicators in the Finnish economy at this moment is the current account deficit, which the government expects to decline from last year's FM25.5bn to FM19.8bn, accounting for 4.9 and 3.7 per cent of GDP respectively. A trade surplus is also

expected for next year and this should help the current account deficit further. In 1991, the current account deficit is expected to be 5.5 per cent of GDP.

Company profits in 1991 are expected to make a rapid recovery. Meanwhile, Mr Lawrence believes that the country's deep recession is diverting investors' attention from the positive recommendations made last month by a prominent foreign investment committee.

The committee recommended lifting all restrictions on foreign ownership of Finnish equities, and plans to scrap the so-called restricted and free share system. It expects this new legislation to be in force at the beginning of 1992.

Like Sweden - is serious about adopting efficient European asset management techniques in future.

After having grown at an impressive rate of around 3 per cent per annum during the 1980s, the Finnish economy is expected to shrink by as much as 1 per cent this year, but grow by between 0.5 and 1.5 per cent in 1992. Part of Finland's severe recession is due to a near-collapse in Finnish-Soviet trade.

One of the few positive indicators in the Finnish economy at this moment is the current account deficit, which the government expects to decline from last year's FM25.5bn to FM19.8bn, accounting for 4.9 and 3.7 per cent of GDP respectively. A trade surplus is also

expected for next year and this should help the current account deficit further. In 1991, the current account deficit is expected to be 5.5 per cent of GDP.

Company profits in 1991 are expected to make a rapid recovery. Meanwhile, Mr Lawrence believes that the country's deep recession is diverting investors' attention from the positive recommendations made last month by a prominent foreign investment committee.

The committee recommended lifting all restrictions on foreign ownership of Finnish equities, and plans to scrap the so-called restricted and free share system. It expects this new legislation to be in force at the beginning of 1992.

ASIA PACIFIC

Index-linked buying trims initial decline for Nikkei

Tokyo

SHARES finished mildly easier after a bumpy day that reflected profit-taking and index-linked buying by foreign brokers, writes Emilio Terzani in Tokyo.

The index lost 48.02 to 24,072.73 after opening at the day's high of 24,074.31 and falling to a low of 23,855.83 in the afternoon. Profit-taking and arbitrage-related selling depressed prices, but index-linked buying by two US brokerages helped the market to end some of its losses.

Volume shrank to 1.1bn shares from Wednesday's 3.8bn. Declines led rises by 582 to 305, with 218 issues unchanged. The Topix index of all first section stocks shed 6.80 to 1,852.22, and in London the ISE/Nikkei 50 index slipped 3.27 to 1,415.72.

Traders said a fall in futures and a firmer short-term interest rate discouraged investors, but there was little impact on the Nikkei. The Nikkei's compensation was offset by a fall in the ISE/Nikkei 50 index.

The list of clients compensated by the 13 second-tier companies were released on Wednesday night. The 13 brokerages said they reimbursed 386 clients a total of ¥43.7bn for trading losses incurred until March last year. One individual client was later reported to be the son of a senior politician of the ruling party, which caused some nervousness.

Senior brokerages lost ground, with Nomura weakening ¥20 to ¥1,830 and Daiwa also ¥20 to ¥1,810.

Koito, a subsidiary of Toyota, ended unchanged at ¥2,370 after hitting a year's low of ¥2,300. The issue drew small-scale speculation after Azabu Buildings, a land and speculator, bought 100,000 shares.

largest stockholder, announced it would sell its holding to a Swedish investment company. Stanley Electric climbed ¥8 to a high for the year of ¥1,000 on reports that the company has a 21 per cent increase in production for large liquid crystal displays.

Nihon Nohyaku, an agro-chemical maker and a speculative favourite, fell ¥170 to ¥1,820 on higher margin requirements by the Tokyo Stock Exchange. The issue has been fluctuating on high margin trading, and Japan Securities Finance also announced that it would not lend shares for short-selling the issue.

Shell rose ¥1 to ¥1,820. Individual investors liked projections that pre-tax profits for the current year are expected to increase 2.1 times. Rumours of an oil industry restructuring also encouraged investors.

In Osaka, the OSE average dipped 83.59 to 1,820.34 on volume of 1.1bn shares. Robin put on ¥30 to ¥3,940 after a leading research company revised its profits forecasts.

Roundup

PACIFIC Rim shares were

unchanged yesterday.

AUSTRALIA was at its

highest level in 13 months,

although activity was fairly

light ahead of next week's

inflation data. The All Ordinaries

index rose 5.4 to 1,577.7 in

turnover of AS157m, down

from AS150m.

NEW ZEALAND rallied after

an early fall but still closed

lower on the day on a rise in

money market rates. The

NZSE-100 index rose 1.1 to

1,470.20. Turnover picked up to

NZ\$216.34m, on mainly arbitrage-related business, from

Wednesday's reduced NZ\$9.7m.

Rolt Harvey fell 6

cents to \$1.10.

The Nikkei 50 index

lost 48.02 to 24,072.73.

The Topix index

shed 6.80 to 1,852.22.

The ISE/Nikkei 50

index slipped 3.27

to 1,415.72.

Traders said a fall

in futures and a

firmer short-term

interest rate

discouraged

investors, but

there was little

impact on the

Nikkei. The

Nikkei's

compensation

was offset by

a fall in the

ISE/Nikkei 50

index.

The list of

clients

compensated

by the 13

second-tier

companies

RECRUITMENT

JOBS: Readers take distinctly disputatious view of what the reasoning process entails

If you're so clever, now try solving these

ALTHOUGH never one to throw caution to the winds, the Jobs column today returns to a matter last mentioned six weeks ago - namely, IQ-type problems. It should be said enough because the floods of letters that threatened to turn this bit of the FT into puzzle corner have fallen over the past few days to a mere trickle.

Indeed, it is a good 16 hours since I received even as much as a plea for the answer to the problem that caused the influx, first printed on June 11. Enduring readers may remember, it is an addition sum in which three numbers have been translated into men's names, the top two of them adding up to the third. Each digit from 0 to 9 is always represented by the same letter, and the letters back into figures.

GERALD
+ DONALD
= ROBERT

Now with all due respect to the recent petitioner for the answer to that particular example, he cannot be an enduring reader. For in an early albeit vain attempt to staunch the flood, I in fact printed the solution the very next week. Nevertheless, the original

less willing to acknowledge defeat may have missed it too, I am going to do so again:

197485
+ 526485
= 723970

It happens, I also have another motive for repeating both question and answer. It is to defend myself against a charge brought against me by more than two dozen people who, despite managing to crack the problem, printed, dispute my statement that it is the sort of reasoning gauged by Intelligence Quotient tests.

Even though I offered a clue - that the letter E must represent either 9 or 0 - the disputants all claim the problem entails reasoning at all. It is simply a matter, they allege, of trial-and-error drudgery.

One of them, Antony Chapman of Wendover, is further by accusing me of removing any reasoning from it by willfully suppressing a more definite clue that was supplied with the original

version of the problem, which he first saw years ago (probably in the late Sir Frederic Bartlett's book 'Thinking', which is where I pinched it from). The clue was that R = 5. Mr Chapman is right to say I suppressed it. My grounds for doing so were that, in view of previous evidence of the mental powers of the column's readers, it is best to avoid making the problem too easy.

But I cannot understand how the omission of that particular clue could have been the reasoning element from the exercise, or the supply of it done the opposite. To me, 'reasoning' means forming conclusions by systematically applying rational rules which, in the case of Gerald + Donald are the rules of standard arithmetic.

True, trial-and-error is also involved. But that is surely so in all mental problems except a few of the syllogistic variety which are too simple to be much use, purely in themselves, in real life. Moreover the trial-and-error is inescapable in a couple of similar problems that Anthony Chapman has come up

with, even though in both cases definite clues are supplied - as the Jobs column is going on holiday for the next three weeks, readers may care to tackle them meanwhile. The first, the clue being R = 5 is:

A
+ MERRY
+ XMAS
= TURKEY

The other, in which S = 3, is:

CROSS
+ ROADS
= DANGER

In case those prove too easy, however, one Michael Moloney has produced a poser of another kind.

It seems that three friends had a meal in a cafe, the bill coming to precisely £30. Too mean to give a tip, they each produced a £10 note. When the waiter proceeds to the cafe-owner, he decided that the three regular customers, he'd charge them only £25. So he put the £30 in the

drawer and handed five £1 coins to the waiter, telling him to give them back to the diners.

But having had no tip, he kept £5 of them for himself, handing the diners just £1 apiece. Hence the problem. Although the three £10 notes originally coughed up made £30, the diners have each received £1 back. Three times £1 = £3, which with the £2 kept by the waiter comes to £25. What happened to the thirtieth pound?

Now in the table which presents yet another puzzle. It is why pay levels in City of London banks are in all respects so much higher than in other fields of work in Britain.

As regular readers will know, that is certainly true of the salaries and cash bonuses bankers typically

receive. But the figures, drawn from City recruitment consultancy Jonathan Wren's latest survey covering 5,400 bank employees in London, indicate that the same goes for fringe benefits as well.

The table shows the value of the various types of perk typically received by staff at four different levels. They are a senior credit analyst, something similar aged 30, a lending officer or the like 30; a 35-year-old who might be a corporate finance executive; and a deputy chief dealer, perhaps, of 40.

When all types of the City perks are taken together, their value range up from 31.5 per cent to 40.9 per cent of salary. By comparison, Noble Lowndes consultancy's survey covering managers across British industry and commerce as a whole shows that perks of all

executives, including company chiefs and other directors, have an average value slightly under those of the 25-year-old banker at 31.6 per cent of a salary of £52,294.

RECRUITER Dudley Edmunds of Kiddsons Impey seeks a pair of senior spot traders as well as two corporate traders in the London arm of an bank he may not name. He promises to honour requests not to be named to the employer as yet.

The spot pair need success in trading a major currency and knowledge of all European sorts. Salaries up to £100,000 at most, plus bonus and usual perks.

Likewise, except for salaries of £100,000, the corporate trader who need contacts besides success in the European markets, and linguistic skills.

Inquiries to 29 Pall Mall, London SW1Y 5LP. Tel: 071-321 071. Fax: 071-976 1116.

Michael Dixon

Age	Basic salary	Subsidy	Company	Pension	Medical cover	Other perks	All perks	% of salary	Total package
£	£	£	£	£	£	£	£	%	£
25	25,000	3,750	1,000	1,000	90	400	7,950	31.8	32,950
30	35,000	5,250	3,800	1,100	600	240	14,700	42.0	49,700
35	45,000	6,000	4,800	1,300	900	270	18,400	40.9	63,400
40	60,000	6,000	6,000	1,500	1,300	300	22,100	36.8	82,100

BANKING FINANCE AND GENERAL APPOINTMENTS

Corporate Finance

To £35,000 + Benefits
This international company is enjoying growth is currently seeking a junior executive for its Mergers and Acquisitions department.

The ideal candidate will already have an outstanding academic record and preferably will be ACA or MBA qualified with proven analytical and modelling skills.

The successful incumbent will enjoy real 'hands on' experience of company operations from origination to completion. Applications are sought from innovative and dynamic candidates who wish to continue on a path of excellence.

Corporate Credit

To £30,000 + Benefits
The professional credit team of this high profile US bank is stretched to capacity and must recruit.

The key to all transactions, this is a dynamic and demanding environment where you will complete involvement in analysing contemporary, product and sovereign risk.

Aged to 25 and a graduate (minimum 2:1), you will already have passed a formal credit training programme and be able to take decisions and solve problems under pressure. Fluency in one or more European languages would give you the edge.

For further details please contact Julie Byrd or David Mayhew on (071) 583 9975 (day) or (081) 579 5976 (evenings and weekends) or send your cv in complete confidence to: 16-18 New Bridge Street, Blackfriars, London EC4V 6AU. Or fax (071) 583 9908.

BADENOCH & CLARK
recruitment specialists

Junior Executive
Mergers and Acquisitions

£30-40,000 + banking benefits

As an ACA, MBA or analyst in an investment bank you would be correct in thinking that good M&A opportunities are difficult to find. You should be encouraged by our Client's expanding number of professionals specialising in the fast growing area of Japanese/European and pan-European M&A initiatives.

Our Client is a Japanese investment bank of repute, keen to recruit intelligent, creative, independent individual, capable of becoming involved in every aspect of M&A business.

You should have excellent analytical and research skills with experience of data retrieval and financial modelling and will provide support for presentations, proposals and documentation completion. As a member of a small team you will be able to take on a high degree of responsibility with corresponding visibility within the department and the firm.

Please send your CV to David Woolf, Juniper Woolf Nucleus Consulting Partnership, Gemini House, 180 Bermondsey Street, London SE1 3TG, quoting reference C983. We also stipulate in your covering letter any organisations to which you should not forward your details.



SEARCH & SELECTION RECRUITMENT ADVERTISING

SOLICITOR FOR COMPLIANCE/
IN-HOUSE LEGAL ROLE

N M Rothschild & Sons Limited, a leading international merchant bank, requires a qualified solicitor (or barrister) to undertake a key role within its Compliance Department.

Acting as deputy to the Compliance Director, the successful candidate will provide advice and support for a wide variety of compliance, legislative and regulatory issues across the full spectrum of the bank's activities. The role will entail extensive liaison with the bank's senior personnel as well as with external lawyers and regulatory authorities, and could provide an excellent basis for subsequent career development in other areas of the bank's activities.

In addition a legal qualification, candidates should have a good honours degree plus around 4-6 years' post-qualification experience gained either in a senior professional role with a large City firm or within the compliance or in-house legal function of a major City-based financial institution. Well-developed interpersonal skills, including the ability to negotiate effectively at the highest levels, are essential.

A highly competitive salary will be offered for this important position, together with company car and the usual range of banking benefits.

In the first instance, please send a personal résumé, detailing your experience and noting your present remuneration, in the strictest confidence to: Andrew May, N M Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU.



N M ROTHSCHILD & SONS LIMITED

SWAPS

TRADING £50-£150,000 MARKETING £40-£120,000 ACCOUNTING £30-£60,000

Mid 1991 has seen a burst of activity within the swaps divisions of many international banks. Jonathan Wren Executive is currently handling a range of new positions for successful swaps professionals. We are especially interested in candidates who can demonstrate specialist swaps experience in the following currencies:

US\$, FFR, DMarks, Lira, ECU, Yen, Peseta.

Please contact Nigel Haworth or Norma Given (Trading and Marketing), or Helen Highet (Accounting)

Jonathan Wren & Co. Limited, Financial Recruitment Consultants
No. 1 New Street, London EC2M 4TP
Telephone 071 521 1266 Facsimile 071 521 5259

JONATHAN WREN EXECUTIVE

CONTINENTAL EUROPEAN FUND MANAGER

Company
Lloyds Investment Managers Ltd is the institutional investment arm of Lloyds Merchant Bank Ltd. The £7 bn under management includes unit trusts, offshore funds, pension funds, investment trusts, country funds, life company funds and other portfolios in established and newly emerging markets.

The Position
The person appointed will participate in all aspects of the team including allocation, portfolio construction, selection of investment instruments, company analysis and portfolio investment decisions. Participation in marketing and product development will also be expected.

Qualifications
Candidates must be able to demonstrate a proven record of achievement in the management of relevant portfolios with an emphasis on unit trusts. It is unlikely that anyone with less than three years experience of Continental European fund management and a background in research would possess the necessary qualifications for this position.

Remuneration
The competitive package offered will include full banking benefits.

Applications
Please write in confidence with full cv, performance record and details of current salary to:

Brenda Hill, Assistant Manager, Personnel Department,
Lloyds Merchant Bank Ltd, 48 Abchurch Lane, London EC4V 4XX



UK Equity Sales

London Based
Highly competitive package

Our client is a large UK based international investment banking group. Their securities operations span the globe and the UK Equities Team offers specialist equity research and broking in selected sectors of the market, and provides distribution support for their corporate deals.

The total rewards package includes a competitive salary, performance related bonus and an attractive range of benefits.

Please send your CV/brief history to: The Response Bureau, 30 Farringdon Street, London EC4A 4EA. Please quote Ref S0701/1 in your envelope.

Please indicate, in a covering letter, any companies you would prefer your application to be forwarded to.

Barkers LBW

European M & A Manager

As an established UK merchant bank with a particularly strong presence in the Corporate Finance sector we are now well placed to expand our European M & A activities. As part of this development we wish to recruit an M & A Manager with a specific brief to support our development and marketing activity in Germany and Spain.

The ideal candidate will have a city-based, transaction-led background and proven experience and success in the above countries. Fluency in English, German and Spanish is essential, with an excellent academic record and strong M & A experience.

In the first instance, please write to: Mr A1587, Financial Times, One Southwark Bridge, London SE1 9HL.

Stock
lendingMarketing
executiveSenior
administrator

City of London

Salary: Highly attractive plus mortgage subs, bonus and generous banking benefits

Yamaichi International (Europe) Limited
Member of the Securities and Futures Authority and Member of the London Stock Exchange

YAMAICHI

Yamaichi International is one of the world's leading financial houses, with offices spanning 24 major financial centres. In London, Yamaichi International (Europe) is its European flagship employing over 350 people from twelve countries.

Two key positions have arisen for experienced stock lending executives.

The first position is for a marketing executive, who has both technical and sales skills, and is responsible for marketing the services of Yamaichi's stock lending department to the company's client base and to develop new business.

The second position involves the control of Yamaichi's risk exposure and the efficient settlement of overseas stock lending and borrowing transactions, as well as providing general marketing support to the stock lending department.

Candidates should have a strong background in the securities industry and at least 5 years' experience of overseas stock lending business. Salary is not a limiting factor for the right candidate.

Applicants should submit a detailed cv, in confidence, to: Ian Renshaw, Personnel Manager, Yamaichi International (Europe) Limited, Finsbury Court, 111-117 Finsbury Pavement, London EC2A 1EQ.

US MARKETING

Financial Services - Edinburgh Outstanding Career Opportunity

Baillie Gifford's reputation as one of the UK's top investment managers continues to grow in the UK and internationally. Stability, both in terms of corporate style and people, unquestioned integrity and investment skill, plus well targeted marketing and selling by senior staff have all helped to achieve the current position of £4 billion under management and an increasing level of enquiries from pension funds and consultants.

In 1987 they took a long-term view of the North American market and appointed an overseas marketing manager who has since become a partner. His success and increasing involvement in other aspects of the firm plus the fast growing level of business from the US and Canada through his contacts and recent joint ventures has led to a requirement to recruit a 'No. 2'.

The role will be to continue to secure through consultants and direct marketing the management of the international segment of major North American pension funds.

Based in Edinburgh, you will create and maintain relationships by phone and mail with senior executives of some of the world's top companies and will carry out at least 4 major prospecting and marketing trips per annum.

This is a quite outstanding long-term career opportunity, which will attract confident self-motivated individuals who can demonstrate business development skills in a financial environment. Probably a graduate you will see this as an ideal opportunity to build on your experience and establish a long-term, varied career.

To apply in confidence, send a detailed CV, stating salary requirements to Douglas Kinnaird quoting ref: 5212/FT. PA Consulting Group, Number Two Blythswood Square, Glasgow G2 4AD.



PA Consulting Group
Creating Business Advantage

Executive Recruitment • Human Resources Consultancy • Advertising and Communications

FINANCIAL SERVICES

General Manager - Marketing Scotland Top salary, bonus, car, mortgage etc.

Britannia Life has undergone several major changes in recent months which have massively strengthened its market position. The demutualisation of FS Assurance and merger with Britannia Building Society to form Britannia Life was a first in the industry, the benefits of which are now flowing through. They are also in the process of acquiring another life company which at a stroke will add £800m of investment funds to their portfolio.

Being a small life assurance company currently with 400 staff they have grown steadily by capitalising on their ability to react to market opportunities and deliver appropriate products such as pensions, life assurance, unit trusts and quickly into their distribution network.

To further this, and give even greater market penetration, they wish to recruit a senior marketing specialist for this new and senior post. Based on an understanding of the technical aspects of current and potential products, the three key tasks of the role will be: to provide an effective research function to identify market and product opportunities; to create and manage an effective corporate marketing strategy; and as a member of the corporate planning committee help shape the ongoing plans of the company.

This is an exciting opportunity to take a lead role in the further development of a young and aggressively growing group, and will attract high calibre marketing professionals whose career clearly demonstrates classic marketing success at a senior level in a financial services environment.

To apply in confidence, send a detailed CV, including salary requirements to Douglas Kinnaird, PA Consulting Group, Number Two Blythswood Square, Glasgow G2 4AD, quoting ref: 5213/FT.



A BETTER WAY OF LIFE

PA Consulting Group
Creating Business Advantage

Executive Recruitment • Human Resources Consultancy • Advertising and Communications

INTERNATIONAL EQUITY ANALYST

Leading edge approaches to global asset management
for an ambitious Economist/Analyst

Prudential Portfolio Managers is one of the largest single investors in the UK, and with over £32 billion of funds under management, one of the prime players in world markets.

The development of effective policies for the allocation of such funds is fundamental to our business. Key to the policy making process is the high-calibre team of Economists and Analysts who make up our Global Policy Unit. They contribute directly to decisions on allocation by developing models and forecasts for economic and currency movements and analysing their impact on world financial markets.

To expand the team, we are looking for a bright, open-minded and acutely perceptive

Economist/Analyst, to apply leading edge approaches within an intellectually stimulating environment. You should have a good degree in Economics or a quantitative discipline with at least 2-3 years' strong economics experience. Confident, communicative, well developed interpersonal skills, your background could be in almost any of the financial markets.

We are offering a competitive salary, depending on experience, plus valuable financial benefits.

We write, enclosing your CV, to Christina Squier, PPMSPS, Prudential Portfolio Managers Ltd., 1 Stephen Street, London W1P 2AP. We are an equal opportunity employer.



Prudential Portfolio Managers

COMPLIANCE NORTHERN HOME COUNTIES

£25-40,000 + Car
+ Substantial Benefits
+ Relocation



Our client is one of the UK's leading financial services organisations with assets in excess of £30 billion and has recently announced an impressive increase in profits despite current market conditions.

Senior executives have identified compliance and control area as presenting opportunities to the organisation rather than as imposing restrictions. They are consequently intent on building a team of high-calibre professionals at both senior and middle management levels who will share and implement this philosophy.

We are therefore keen to talk to candidates who have a background in compliance including exposure to IMRO and LAUTRO rules and who can demonstrate flexibility to deal successfully with a wide range of contacts both within the organisation itself and at the regulatory bodies.

Please contact Belinda Harris or Adrian Barrett, on 0727 40660, (evenings 081-203 4543) or write with a curriculum vitae to the address below.

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS
47 London Road, St. Albans, Herts. AL1 1UJ. Tel: 0727 40660
LONDON • READING • GUILDFORD • ST ALBANS • BRISTOL

DEBT SYNDICATE MAJOR HOUSE

Key responsibilities include:

- Structuring and Pricing PUBLIC debt through close co-ordination with the Sales, Trading, Swaps and Origination teams.
- Maintaining and enhancing Syndicate relationships.
- Supporting Origination efforts with sophisticated borrowers.

Risk management experience and a good understanding of both credit spreads and fixed income cash and derivative products, is essential, as is a background in either a Syndicate or other related area such as Swaps Trading, Financial Engineering, or Bond Trading.

The ideal candidate must be technically proficient, an excellent communicator, and highly self-motivated, as well as capable of, and interested in, inspiring others. He/she must also be capable of extracting, assessing and acting on information whilst working under intense pressure. European languages a plus though not essential. Age preference 27-35.

Compensation includes a competitive base salary, performance related bonus, company car, and other usual benefits.

Please write in the strictest of confidence to the agents at:

Box A1586, Financial Times, One Southwark Bridge, London SE1 9SU.

GENERAL MANAGER COMPUTER TRADING SYSTEMS

A key position is available for a dynamic and successful general manager in this well capitalised start-up venture, located in the south-east.

You will report directly to the board, and assist the director in the design, implementation and operation of the company's key products. You will also have day to day responsibility for the company's general operations.

Your qualifications will include a thorough understanding of database knowledge of most major equity and derivative markets, and some knowledge of trading mechanisms within one major market area. You will have a clear ability to work and thrive in a small close knit team. Ideally, you should be educated to at least level standard and have five plus years relevant experience. A major foreign language is a plus.

Package to £35,000 and attractive benefits.

Write Box A1586, Financial Times, One Southwark Bridge, London SE1 9SU.

PAPER MILL - MANAGER (PM4 Paper Mill)

The Company

Smith Stone and Knight Ltd, based in Birmingham, is one of the main producers of Paper for the corrugated board industry in the UK. Currently SSK has a total production capacity of about 150,000 tonnes of paper and employs 200 personnel. The turnover is approximately £30,000,000. Since the paper is produced from 100% recycled paper as a raw material, the company plays an outstanding role in environmental conservation.

In 1989 a large investment was realised which made SSK one of the most modern producers of its kind. Smith Stone and Knight is a 100% subsidiary of Recycled Paper Europe B.V. based in the Netherlands.

Together with its sister companies in the Netherlands and Germany it belongs to the top 10 waste based paper producers in Europe.

The company policy is to achieve a continuous strengthening of its position by quality improvement, automation, customer services and by investing in equipment and its employees.

We are in search of a qualified Production Manager who can be in charge of our main production facility - the PM4 machine (85% of the company's output) - and has the ability to develop to a more demanding position within a few years.

The Position

The PM4 Manager is responsible for the operational aspects of the PM4 paper mill. This includes the production organisation as well as the engineering and technical departments.

Main areas of attention are:

- to ensure availability of products within quality, cost and sales targets.
- to ensure the continued development of the production facilities of the PM4 mill through technological innovation and investment.
- to review efficiency and productivity throughout the PM4 mill and develop and implement project programmes to reduce product costs.
- to prepare and review targets and budgets for the PM4 operations.

The PM4 manager reports directly to the Managing Director and is a member of his management team. Therefore he will also be involved in the development of the company as a whole, both day to day and long term.

Requirements

The position requires a person who:

- is a university graduate, e.g. chemical engineering.
- has ample experience in a production management position in the paper, chemical or related industry.
- is keen to optimise technical and organisational processes.
- has personal qualities like flexibility, commitment, people management skills, thoroughness and tenacity.

Conditions

Rewards include an attractive salary, company car, private medical insurance, pension scheme and relocation assistance where appropriate.

How to Apply

For more information about this position you can contact

Mr J.W.J. Meert, Managing Director, Tel: 021 871 1381.

Please send full personal and career details in confidence to:

The Managing Director, Smith Stone and Knight
Trevor Street, Nacheils
Birmingham B7 5RE

**Smith Stone
& Knight**

SECURITIES INVESTMENT

£NEG. + BONUS + EXCELLENT BENEFITS

CITY

Our client, a UK with a significant presence in Treasury and Capital Markets, is expanding its Investments group with the appointment of an analyst/portfolio manager.

The team comprises four portfolio managers engaged in proprietary trading and investment on the London Stock Exchange across a very wide range of securities.

Ideally, you will be in your early - mid twenties, a graduate with a numerate degree and 2-3 years banking experience. You must have acquired strongly developed credit skills, ideally via a structured credit analysis programme, with a understanding of the concept of relative value. Exposure to a Capital Markets environment is also

highly desirable. Although you will ultimately become responsible for your own profit and loss account, previous trading experience is not essential as those skills will be developed on the job.

This position offers the opportunity to join a successful, innovative, "leading-edge" team and allows considerable scope for individual initiative within a strongly team-oriented culture. A highly competitive remuneration package is offered which reflects the importance our client attaches to this role.

In the first instance please send a Curriculum Vitae to Loretta Quigley, Lombard Consultants, 11 Grosvenor Court, Bow Lane, London EC4A 3DF (fax: 071-236 6128) or call her on 071-236 5858.

CONSULTANTS IN HUMAN RESOURCES

LOMBARD
LOMBARD CONSULTANTS LIMITED

Opportunities in Credit Analysis and Credit Systems Administration

The City may be talking doom and gloom, but UBS is still flourishing. Continued business development has created growth in our Banking Division and we now intend to strengthen our team by recruiting young experienced specialists of the highest calibre.

Credit Analyst

The investment banking counter-party risk team is being strengthened and we would like to hear from Analysts with a strong commercial banking background (ideally trained by a US Bank), to assist in this development. The position clearly offers further career potential, as it will involve exposure to an unusually wide range of products. Our best candidates will be ACIS qualified, probably in their twenties, and, crucially, able to demonstrate both inter-personal and analytical skills.

Systems Supervisor/Databases Administrator

The new Systems Supervisor will be responsible for managing the data flow, maintaining the credit information and corporate structures and, above all, maintaining data quality on our UK credit system. Our ideal candidates will be PC literate with good knowledge of both banking products and corporate structures, and will have the personal strengths to flourish in such an environment - and to take advantage of the career potential the position offers.

For both these positions, the attractive salary will be supplemented by our excellent benefit package.

Please send full career details to
Lorna McArthur, Personnel Manager
UBS, 100 Liverpool Street
London EC2M 2RH.

**Union Bank
of Switzerland**

CORPORATE FINANCE – EASTERN EUROPE

N M Rothschild & Sons Limited is an international merchant bank highly regarded for its corporate financial advisory services. The bank's position as a leading force in worldwide privatisations has created the need to fill two London-based roles concentrating on advisory work primarily for Eastern and Central European assignments.

Both roles will entail the marketing and execution of a broad range of corporate finance services – particularly relating to privatisations, international equities and trade sales – and will require extensive travel to Eastern Europe.

SENIOR MANAGER / ASSISTANT DIRECTOR

Candidates should have several years' proven experience in UK and international corporate finance, including privatisations, and will ideally have a working knowledge of at least one Eastern European language.

EXECUTIVE

Candidates should be fluent in written and spoken Czech plus at least one other Eastern European language and/or German, and should also have further professional experience of the international securities market.

The remuneration, which will include profit-sharing and an excellent range of benefits, will be highly competitive.

In the first instance please send a personal résumé, detailing your experience and specifying which post is of interest, in the strictest confidence to: Andrew S May, N M Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU.



N M ROTHSCHILD & SONS LIMITED

MARKETING EXECUTIVES PROFESSIONAL SERVICES

Our client is seeking to expand the highly specialised services that it provides to an extensive range of publicly listed companies throughout the U.K.

An extensive marketing programme has been started and the team needs to be strengthened to support and sustain this effort. Executives will need energy, patience, communication skills and a professional approach to win the confidence and commitment of new clients.

The ideal candidates will have had several years experience in a professional environment, marketing services for the corporate finance department of banks or stockbrokers to PLC main board directors.

These are key positions and carry an excellent base salary plus a performance related bonus, etc. Please send a detailed CV to:

JEFFREYS HENRY
Chartered Accountants
Finsgate
5-7 Cranwood Street
London
EC1V 9EE
Fax: 071-608 1983

**SALARY £30 - 50,000 P.A.
PLUS BONUS & FULL BANKING BENEFITS**

SW1

Nikko, as one of the acknowledged leaders in Japanese equities broking, is looking for an exceptionally able salesperson to join an established team.

Japanese Equity Sales

Ideally you should be a graduate with 3-5 years' experience in Japanese equity sales with a firmly established client base. A knowledge of equity derivatives and quantitatively managed financial products would also be of benefit to us.

Please call Alastair Wood on 071-222 3583 for an informal discussion or write to him at
The Nikko Securities Co., (Europe) Ltd.,
55 Victoria Street, London SW1H 0EU.



ASSET FINANCING: OPERATING LEASING

Capital Charter plc, part of the Capital Leasing Group and subsidiary of The British Union Bank of Edinburgh, specialises in writing Operating Leasing transactions for Transportation, Materials Handling, Construction and Printing assets. The Company takes full Residual Value exposure based upon exhaustive research, and transactions comply fully with SSAP21 and Local Authority instruments. In addition to developing a significant presence in the asset distribution chain through the establishment of Joint Companies such as ERF Leasing Limited, Capital Charter is marketing direct to potential lessees. It is to consolidate upon a successful start that the Company is now able to create an exciting opportunity for an individual with the right qualities. The person appointed is likely to be a graduate, aged 28-35, with considerable experience of successful negotiation of middle- to big-ticket leases with major UK corporate clients. He or she will be conversant with the balance sheet implications of Operating Lease arrangements. Personal qualities will include a confident and authoritative bearing and the ability to articulate concepts. A high order of self-motivation, personal goal-setting and organisation is required. The remuneration is what would be expected for a specialist position in a major banking group.

C.V.'s in the first instance please, to Debby Randall
Capital Charter plc
Bridge House, Bridge Street,
Staines, Middlesex TW18 4TW



BUND/OAT TRADER MAJOR HOUSE

London based! A great opportunity for a proven experienced market maker age 25-35 who is used to servicing sophisticated institutional accounts. Product knowledge / familiarity with Liffe, Mifx, DTF essential.

The ideal person will be a very successful self starter who can generate good trade ideas and work well with salespeople, in a pressurised environment. European languages a plus though not essential.

Comp includes a very competitive base salary, performance related bonus, company car, and other usual benefits.

Please write in the strictest confidence to Box A1578, Financial Times, One Southwark Bridge, London SE1 9HL.

PROJECT MANAGER

SECURITIES INDUSTRY SETTLEMENTS SYSTEMS

CITY

CCAO,000

DUE TO GROWTH AND EXPANSION, A UNIQUE OPPORTUNITY HAS ARISEN FOR A PROJECT MANAGER TO JOIN AN INTERNATIONAL COMPUTER SOFTWARE HOUSE SPECIALISING IN PROVIDING SETTLEMENT SYSTEMS TO INVESTMENT BANKS AND STOCKBROKERS.

THIS IS AN IDEAL OPPORTUNITY FOR A CONFIDENT, SELF-MOTIVATED INDIVIDUAL AGED BETWEEN 25 AND 45 TO CONTRIBUTE TO THE CONTINUING COMMERCIAL SUCCESS OF A GROWING SOFTWARE COMPANY.

WE REQUIRE A PERSON WHO IS EXPERIENCED IN IMPLEMENTING SECURITIES SETTLEMENT SYSTEMS, HAS STRONG PROJECT MANAGEMENT SKILLS AND A GOOD UNDERSTANDING OF TECHNICAL ASPECTS OF MODERN COMPUTING. THE ABILITY TO LEAD AND MOTIVATE PEOPLE TO ACHIEVE CHANGE IS ESSENTIAL. FOR FURTHER DETAILS CONTACT:

HENRY KORT
MANAGING DIRECTOR
MOCOM SYSTEMS LTD
21 LONDON WALL
LONDON EC2M 3SS
(071) 855 9256



DERIVATIVE PRODUCTS

GRADUATE WITH A GOOD ECONOMICS, MATHEMATICS OR ACCOUNTANCY DEGREE

A leading International Bank requires two graduates with either economics, mathematics or accountancy related degree to join an exciting derivative products group as trainees.

Fluency in at least one European language in addition to English is preferred.

Future prospects include trading or marketing derivative products after an initial training period.

Applicants should reply to the Box No. given below enclosing a detailed CV.

Write Box A1588, Financial Times, One Southwark Bridge, London SE1 9HL.

INVESTOR AND MEDIA RELATIONS EXECUTIVES

London affiliate of largest independent U.S. financial communications/analyst/stockbroker solicitation firm seeks investor and media relations executives. Relevant experience includes liaison with senior executives at client companies, knowledge of key business/financial media, organising analyst and investor meetings in major European financial centres and regular follow-up contacts with meeting attendees. Securities analysis, trading and portfolio management experience will be considered. Send resumes in confidence.

Write Box A1588
Financial Times
One Southwark Bridge
London SE1 9HL

Appointments Advertising

appears every Wednesday & Thursday

& Friday (International edition only)

For further information please call

Richard Jones
071-873 3460

Teresa Keane
071-873 3199

Graham Loveluck-Edwards
071-873 3607

INTERNATIONAL PETROLEUM TRADING CONSULTANCY

An active international trading consultancy in London is looking for one or two professionals to join the group to cover increased demand of their services.

The ideal candidates will be in their early 30's with experience in refinery production planning scheduling and economics.

If you want to break out from a routine job to the challenging world of oil trading this could be the job you have been waiting for.

Salary plus profit participation will be offered commensurate with experience.

If you feel you are the right candidate please forward your C.V. to the Managing Director, marked personal, to:

Write Box A1581, Financial Times,
One Southwark Bridge, London SE1 9HL

APPOINTMENTS WANTED

"Communications opportunities in changing markets require special skills"

- You require a London-based PR professional to spearhead your drive for a high market profile and to organise your corporate communications strategy.
- I require a challenging role to which I bring ten years of blue chip experience, a flair for logistics and a sound judgement of markets and opportunities.
- Write today for my CV:

A1592, Financial Times,
One Southwark Bridge,
London SE1 9HL

CORPORATE COMMUNICATIONS

Specialist with strong marketing background seeks post with UK or international company.

First-class client and media experience with record of consistent achievement. Investor relations skills. European languages. MBA.

Please write to box A1591
Financial Times One Southwark Bridge, London SE1 9HL

INTERNATIONAL FUND MANAGEMENT

A new, well capitalized London based fund management company requires two highly skilled individuals

DERIVATIVES PORTFOLIO MANAGER

You will be involved in the management of commingled funds involved in Hedge and Index activities. As such, you will have extensive knowledge of equity derivative theory, and practical knowledge of European and/or Japanese CV Bond/Warrant/Option markets.

Educated to Undergraduate level, you will have 3+ years of relevant experience, at least one major foreign language, and thrive in a small close knit team.

SETTLEMENTS MANAGER

You will participate in the design and implementation of sophisticated computer systems capable of setting debt, equity and derivative instruments. You will participate in the selection of global custodians and will play a determining role in managing the growth of the settlements function.

Your skills will include 7+ years of experience, one A level and you will thrive in a small close knit team.

A generous compensation package with attractive benefits is available for the right individual

Write to Box A1585, Financial Times, One Southwark Bridge, London SE1 9HL.

MARKETING & CLIENT SUPPORT FINANCIAL SERVICES

SHAW DATA SERVICES is a long-established US company providing computer services to asset managers. It has over 260 clients with US \$450 billion under management. The company opened its London office a year ago with the intention of developing its business in the UK and Europe.

The London office is planned to grow rapidly and we are looking for a key person in the position of Marketing Executive. The person selected will be involved in market analysis and in the development of market strategies for the UK and other important European financial centres. He/she will have direct relationships with existing and potential new clients and will have the responsibility for supporting those clients in the use of Shaw Data products and services.

The ideal candidate will have a good degree (or equivalent work experience) and five or six years experience in an asset management or other financial services organization. He/she should be used to working with PC's and other computers and have some understanding of systems design.

This is an exceptional opportunity for a person with suitable skills and motivation to join an exciting new operation at the ground floor. Salary is negotiable but is expected to be over £25,000 p.a.

Applicants should write, enclosing a detailed C.V. to Ann Mackey, Shaw Data Limited, 7-11 Finsbury Circus, London EC2M 7TT.



Quantitative Portfolio Management

Dimensional Asset Management Ltd. are looking for an equity portfolio manager. We specialise in quantitative management techniques for pension funds and are best known for our expertise in small companies management worldwide.

The professional we seek should have a good knowledge of quantitative techniques. We will consider promising applicants with no prior experience in fund management whom we are prepared to train. The successful candidate will become responsible for the management of institutional foreign equity portfolios.

Applicants should have at least a good first degree (an MBA or MSc would be welcome) and be numerate and computer literate. They will have the maturity and ability to work independently. They will have some work experience, preferably with a financial institution, and will be able to assume responsibility quickly. Excellent communication skills are required and the knowledge of one or more European languages will be most useful. We invite applications from nationals of all EC countries.

We offer a competitive compensation package and a unique opportunity to grow with an organisation at the forefront of modern portfolio management techniques.

If you are interested, please send your CV directly to:
Rolf W. Banz, Managing Director,
Dimensional Asset Management Ltd., 13 Charles II Street,
London SW1Y 4QU (no telephone enquiries, please)

General Manager

Dubai Attractive Remuneration Package

■ This is an excellent opportunity for an ambitious and well seasoned MBA graduate from an American/European University aged 30-40 to play a leading role in the development of a well established growing company. Our client is growth oriented, with exciting plans to expand its existing business in general trading, service industry, information technology and other related activities.

■ The preferred candidate should have gained wide experience in general trading, acquisition of businesses, strategic and operational planning at a senior level and should be familiar with the Middle East environment, and oil related high technology industries and should have superior financial and analytical skills, marketing, and inter-personal skills and the ability to deal with senior management and staff members of the company.

■ The successful candidate will report to and work closely with the owners of the business. His main function is to oversee the management of the company and to take a long term view of the strategic position of the company. He is expected to initiate, promote and foster the company's strategic planning and to represent the owners in meetings and in setting up policies and procedures and performance reporting.

■ The position offers a competitive basic salary, bonus and family benefits including airfare. Qualified candidates should forward career details including salary history before 31 August 1991 quoting reference MBA/1 to: Mr Sami Ali, Ernst & Young, Executive Recruitment Division, PO Box 136, Abu Dhabi, United Arab Emirates.



CAREER CHOICE 1991

Whether you need one graduate or a hundred you will be after the best prospects, and your best prospect for reaching them is by advertising in the Financial Times Career Choice Guide. The chances of you attracting the best candidates this year are not better simply because there will be more graduates chasing less jobs.

The fact is, the best prepared prospects will still choose the jobs and companies they want, rather than the other way round.

"Career Choice" - the F.T.'s guide for final year undergrads, is an important part of the preparation. Over 100,000 copies of the guide (one for every final year student) will be distributed on Campus in October. It is also in the F.T. on October 17th so that parents can also ensure it reaches the right audience.

For synopses and rate card call
Richard Jones on 071-873 3460 or fax 071-873 3065



ACCOUNTANCY APPOINTMENTS

Finance Manager

Hertfordshire
to £40,000 + Car + Bonus

The company, which has a turnover in excess of £17m, is engaged in the sale and service of life support capital equipment to hospitals throughout the United Kingdom. It forms part of the worldwide Health Care Division of a major international group.

As a member of the Management Team, you will be responsible for providing them with regular and meaningful financial information and analytical support to enable them to run the business more efficiently. You will also be responsible for negotiating lease/rental schemes with customers, in conjunction with the sales activity.

You will be aged 28-35, educated to degree level and a qualified

accountant. You will have experience in a manufacturing environment, preferably capital goods and be familiar with using sophisticated computer based systems to analyse/interpret data to impact both day to day and strategic decisions. You must be commercially aware and have highly developed interpersonal skills.

Success in this role should result in promotion to a more senior position in the medium to longer term.

Please apply in strict confidence to George F. Cross at Management Appointments Limited, (Executive Search and Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN. Telephone: 071-930 6314, Fax: 071-930 9539.

Management Appointments Limited
LONDON • PARIS • MILAN • NEW YORK

European Financial Director

Multi-national Healthcare Company

to £45,000

Western England

With sales in Europe of \$45 million and growing at 25% per annum, this company is world leader in its field. There are manufacturing and distribution subsidiaries in the UK, Germany and France and significant expansion is planned in these territories.

Key tasks will include the provision of strong financial and operational controls throughout Europe, development of a management information base oriented towards enhancing profitability, and leadership of the business planning and strategy

development process. Reporting to the European Managing Director, this will be a key appointment within the European Management team.

Candidates will be aged 35 or over, qualified accountants, able to manage a multi-national finance organisation with a sound background in management information systems, cost accounting and US reporting requirements. Fluency in either French or German would be advantageous.

Please write to David Dodd, Ref 17533, MSL Group Limited, Broad Quay House, Broad Quay, Bristol BS1 4DJ.

MSL International

CONSULTANTS IN SEARCH AND SELECTION

Group Financial Controller

Consumer Products

£40,000, Bonus, Car

North West

Howgate Sable

EXECUTIVE SEARCH AND SELECTION

The group of eight operating companies is successful, has a turnover exceeding £200m and manufactures and distributes a wide range of consumer products found in all the major High Street multiples.

Recent restructuring has created this important new position. Direct reporting is to the Group Finance Director but the principal elements of the role will ensure wide exposure to all members of the executive. A key task will be the establishment of the most appropriate information systems to meet the changing needs of the business. These will form a major part of the ongoing enhancement of all computer based applications. Equally important will be the definition and development of performance indicators and the appropriate monitoring. Other responsibilities are those normally associated with a group accounting function and in satisfying the needs of a demanding parent of international standing.

Applicants will be qualified accountants, probably graduates, with broad experience gained in a manufacturing company, ideally FMCG, and having a particularly strong leaning towards systems development. A progressive career record demonstrating achievement at a technical and management level is essential, and some exposure within a group head office would be beneficial.

The attractive benefits package is an endorsement of the seniority of this appointment which should be seen as the gateway to further promotion within the group.

Candidates should send a comprehensive c.v. or telephone for an application form to Howgate Sable & Partners, Arkwright House, Parsonage Gardens, Manchester, M3 2LF. Tel: 061-839 2000 quoting reference (F.T.572C).



Financial Controller

To £34,000 + Benefits

Exeter

South West Water Services Ltd provides clean and waste water services throughout its region. The company has a turnover of approximately £160 million and a ten year £1.4 billion capital expenditure programme in pursuit of ever increasing excellence in quality and customer service levels. They seek a first class Financial Controller to lead and develop the established accounting function in a changing commercial environment.

THE POSITION

- Managing all statutory, management and regulatory accounting, including CCA. Reporting to the FD.
- Providing financial and systems support and advice throughout the company.
- Developing commercial awareness and practices.

QUALIFICATIONS

- Proactive, graduate calibre accountant with personality and drive. At least 5 years' post qualification experience.
- Excellent team manager with developed interpersonal and communication skills.
- Problem solver. Commercially astute, with good technical and systems ability.

Please reply in writing, enclosing full c.v. Reference AK3068
37 Queen Square, Bristol, BS1 4QS

S

N

BRISTOL • 0272 291142
STURGE • 0753 694844 • LONDON • 071 493 6392 • BIRMINGHAM • 021 235 4456
MANCHESTER • 0625 539953 • GLASGOW • 041 204 4334 • ABERDEEN • 0224 638080

NORTH HAMPSHIRE

c £45,000 + CAR

Financial Controller

Operations management is an integral part of the senior finance role within this successful £10 million turnover business. Our client is the autonomous UK sales and service subsidiary of an international high-tech corporation which designs and manufactures computer printers for business applications. In this competitive environment, the fine tuning of operational effectiveness is essential to stay ahead.

Reporting to the Managing Director, you will have a major input into key business activities from sales strategy to contract considerations. Your responsibilities will include the financial, information systems and company secretarial functions and you will be the focal point for financial communication with the parent organisation.

The post calls for a qualified accountant with exceptional commercial skills, and strengths in the

development of IT facilities to aid decision making. Experience of US based corporations, high tech distribution channels and multi-currency transactions would be a distinct advantage. Above all, you must be a team player who is accustomed to debating commercial issues in a sales and marketing oriented company.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence, to Janice Riches, Coopers & Lybrand Deloitte Executive Resourcing Ltd, 9 Greyfriars Road, Reading RG1 1JG, quoting Ref JR453 on both envelope and letter.

Coopers & Lybrand Deloitte Executive Resourcing



KEY ROLE IN PRODUCT PROFITABILITY PLANNING

Our client, a highly successful and profitable UK Group, is at the forefront of its extremely competitive sector. Following promotion of the present incumbent, and so as to continue support to operational management, they are seeking to recruit a Manager, Financial Product Planning.

Reporting to the Manager, Product Profitability, you will be responsible for the provision of regular and ad-hoc product based financial information. Relating product profitability to the planning, forecasting and budgetary process, in addition to profitability analysis of customer behaviour.

Key responsibilities will include:

- development, maintenance and enhancement of product-based reporting systems
- identifying and implementing solutions

Interested individuals should contact Shirley Knight BA, MBA, ACMA on 071-405 4161 or write to her enclosing a recent CV and note of current salary at FMS, 5 Bream's Buildings, Chancery Lane, London EC4A 3DY.

- for the production of crucial management information
- liaising with senior management in order to influence product policy
- directing and developing a small team of business analysts.

In order to successfully perform and develop the above, you are likely to be a graduate, qualified accountant or MBA, with experience of sophisticated management information systems. A combination of excellent communication, interpersonal and influencing skills are essential, in addition to a pro-active approach to problem solving and staff management experience.

Relocation assistance would be available where appropriate.

MILTON KEYNES

£27-31,000

+ MORTGAGE SUBSIDY

+ BONUS

+ BENEFITS

REUTER SIMKIN

LONDON • BIRMINGHAM • MANCHESTER • GLASGOW • SUDBURY

Investment Manager Venture Capital

ACA/MBA

C. £32,000 + Car
+ Excellent Benefits

Operating in the highly specialised equity investment sector, our client is the developing venture capital arm of a leading international investment management group. An innovative range of financing packages for growth companies, coupled with a recent fundraising exercise, has created substantial domestic and international business opportunities. Prospects for future growth and rewards are considered to be excellent.

An increase in investment activity has generated the requirement to augment the management team with the appointment of an additional executive. Working as part of a small integrated team, the successful candidate will be involved in the identification and analysis of potential investments, in addition to the negotiation and structuring of such transactions. Specifically, this will encompass research into selected markets, the generation of deal flow, and the identification of potential business partners. The appointee will also provide hands-on support in monitoring and helping to improve the long-term profitability of investee companies, through the development of strategy and the provision of financial advice.

This opportunity will appeal to a results orientated ACA/MBA, aged 27-30 with a record of achievement to date, and relevant experience in a "Big 6" public practice, venture capital or consulting firm. Essential attributes include strong interpersonal, analytical and numerical skills, in addition to a high level of commercial awareness. The rewards include an attractive remuneration package, company car, profit related bonus scheme, and the opportunity to develop a stimulating career within a fast-moving and challenging sector.

For further information in strict confidence contact Brian Hamill or Robert Walker on 071-287 6285 (evenings and weekends on 081-672 6259). Alternatively, forward a brief résumé to our London office quoting Ref: BH 737.

WALKER HAMILL
Financial Recruitment Consultants

29-30 Kingly Street London W1R 5LB Tel: 071 287 6285 Fax: 071 287 6270

Group Financial Analyst

London

To £30,000 +
Fully Expensed Car +
Substantial Benefits

Our client, a leading UK quoted industrial group, with widely diversified interests and a turnover approaching £400m, has recently experienced a period of considerable growth. With substantial interests worldwide, and a dynamic management team, the group has a clear strategy of growing its core businesses, both organically and through acquisition.

Increased demands on the Head Office finance function has generated the need to augment the team with the appointment of a Group Financial Analyst. The role will be varied and demanding, concentrating on developing lines of communication between the group finance function and the operating divisions. Specifically, this will encompass reviewing divisional reports and data, commenting on capital projects, reviewing of acquisitions and investments, and the development of systems.

This opportunity will appeal to a recently qualified accountant, aged 25-29, with a high degree of academic achievement. Experience will have been gained within a demanding environment with exposure to management information systems. The individual must be flexible, committed, and able to liaise with managers at all levels. An ability to speak French would be an advantage. The role will be an excellent springboard for further development within the group.

The rewards include an attractive remuneration package, together with fully expensed car and large company benefits. For further information in strict confidence contact Jonathan Jones on 071-287 6285 (evenings and weekends on 081-664 0927). Alternatively, forward a brief résumé to our London office quoting Ref: DC 1062.

WALKER HAMILL
Financial Recruitment Consultants

29-30 Kingly Street London W1R 5LB Tel: 071 287 6285 Fax: 071 287 6270

Unique

Our client is a multinational company who has undergone a major restructuring and embark on further expansion. To assist in the achievement of this, we are seeking an International Headquarter

Financial Planning
£35k + F&B

You will be responsible for commercial scenarios including acquisitions, alternative policies, etc. as well as production, reporting and planning of the business. There will be liaison with line management and strategic issues. Ideal for a qualified accountants age

The successful candidates to display common sense, judgement, a sense of humour to be a team player. A second exposure to an international environment would also be as advantageous.

WEST OF LONDON

Fin

This advanced systems organisation is seeking a finance function manager. It is a £60 million of a major international business leading position.

As head of the finance function is expected to make a significant decision making across all business areas. Initial objective business development and enhancement of management

A qualified accountant, you will have experience of managing a sizeable team and will have developed skills

Director

Automotive C

Our client, a publicly quoted German company is now seeking a highly motivated individual to head the finance function incorporated within the EDP function and

You will probably be a major financial role with a major motivation with strong working in Germany is essential. Above all you must have the right environment.

This is a key appointment in the West of Germany. Car

If you are interested in this appointment send your CV in confidence to LSI 4LY. Fax number 0532

ADAMSON

Executive Search a

01
United
Emirat

Our with plans

A qu internal Auc contribute

operational i to the Gener

Applica and successfu management i experience in i advantage

The remun negotiated at a le audit positions

Please send Mr Sami Ali, Ernst & United Arab Emirate

Unique Management Challenges

Berkshire

Our client is a multinational software house and is one of the world's top PC software suppliers. The company has undergone dramatic growth both organically and through acquisition and is now poised to embark on further expansion.

To assist in the achievement of their corporate aims they are seeking to make two appointments at their International Headquarters in Berkshire, both of which will report into the Finance Director.

Financial Planning Manager

c£35k + F/X Car + Profit Share

You will be responsible for evaluating a number of commercial scenarios including potential acquisitions, alternative market strategies, pricing policies, etc. as well as providing a financial planning, reporting and analysis service to all parts of the business. There will be a high degree of liaison with line management both over operational and strategic issues. Ideal candidates will be qualified accountants aged 27-35.

The successful candidates for both roles will be able to display common sense, good business judgement, a sense of humour and have the ability to be a team player. A second language and exposure to an international business environment would also be regarded as advantageous.

International Tax Manager

c£40k + F/X Car + Profit Share

This autonomous role will involve the formation and implementation of international tax planning strategies including advising on international cash flow issues, business development and acquisitions. You will also be responsible for all UK and European compliance. Candidates capable of fulfilling this role will be qualified accountants with a minimum of three years' PQE in tax, ideally gained in a commercial environment.

There is considerable scope for advancement in the UK and overseas. Interested applicants should write enclosing a comprehensive CV, to Mandy Lawton or John Zafar ACMA at:

Michael Page Finance,
1 Brocas Street, Eton,
Berkshire SL4 6BW.



Michael Page Finance
Specialists in financial recruitment

Finance Director

with Chief Executive potential

London

c£65,000 + Bonus + Car

Backed by major international FMCG businesses, our client's history is one of accelerated organic growth, achieving market-leader status through strong brand image and high quality service. Current turnover of £170m is generated from 270 sites throughout the UK and the company has aggressive plans to increase its market dominance.

The Finance Director will be a key figure in the company's success, providing strategic financial input to the commercial decision-making process. Immediate responsibilities include the implementation of fully integrated control and reporting systems which will significantly improve the quality of operational financial management within this rapidly changing business.

Aged 32-38, the candidate we seek will be a well rounded business manager with a

strong financial track record, who has the potential to succeed the existing Chief Executive in a 2-3 year timescale. Applicants should be academically above average, with a series of outstanding achievements gained in a high calibre retail, FMCG or other marketing led environment. It will be essential to demonstrate the ability to initiate and manage change and to function effectively in a highly competitive environment.

Relocation facilities are available where appropriate and interested applicants should forward a comprehensive CV, quoting Ref: 2645, to Alan Dickinson FCMA, Executive Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH (Tel: 071-831 2000).



Michael Page Finance

Specialists in financial recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

WEST OF LONDON

c £40,000 + CAR

Finance Manager

This advanced systems organisation is renowned for its expertise in complex technology and contract management. It is a £80 million turnover subsidiary of a major international business that holds a world leading position.

As head of the finance function, the Finance Manager is expected to make a significant contribution to decision making across all business activities and will assist the management team in optimising profit performance. Initial objectives are to support future business development and will include the enhancement of management reporting.

A qualified accountant, you will already have gained experience of managing a sizeable finance function, and will have developed skills in information systems

and the assessment of commercial issues. Your background should include a working knowledge of the defence industry. Personally, you will combine the credibility to work effectively at a senior level with the willingness to take a shiraleaves approach to operational detail. The initiative to devise solutions and a firm belief in teamwork are essential.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence, to Adrian Edgell, Coopers & Lybrand Deloitte Executive Resourcing Ltd, 9 Greyfriars Road, Reading RG1 1JG, quoting Ref AEB40 on both envelope and letter.

Coopers & Lybrand
Deloitte Executive Resourcing

Director of Finance Germany

Automotive Components Package to £55,000 + Car

Our client, a publicly quoted group, is a highly successful British based multi-national whose subsidiary in the West of Germany is now seeking a high calibre Director of Finance.

You will report to the Managing Director and be a key member of the management team with overall responsibility for the finance function incorporating local treasury and taxation requirements. You will also make a major contribution within the EDP function and to the formulation and implementation of the company's future plans and strategy.

You will probably be in your mid 30s, a qualified accountant preferably with a degree or MBA and have worked in a senior financial role with a major multi-national company. You must possess an excellent working knowledge of German, be highly motivated with strong leadership qualities and possess first class technical and interpersonal skills. Experience of working in Germany is essential and investigations would be an added advantage. Above all you must have the strength of personality, intelligence and flexibility to succeed in an expanding commercial environment.

This is a key appointment in the important automotive component manufacturing market and is based near a major city in the West of Germany. Career development potential with this prestigious group is excellent.

If you are interested in this appointment, please telephone Stuart Adamson FCA or Graham Markow on 0532 451212 or send your CV in confidence quoting reference number 769 to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY. Fax number 0532 420802.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

Head of Internal Audit

United Arab Emirates

Attractive Salary Plus Full Expatriate Benefits

Our client is a major U.A.E. based oil related services company with plans for future expansion

A qualified accountant is required to head up an established Internal Audit Department, to control and develop audit procedures and contribute to the improvement of financial control, reporting and operational procedures within the company. The position reports directly to the General Manager

Applicants must be aged 35-45, and be able to demonstrate a proven and successful track record in auditing computerised systems. Excellent management and organisational skills are essential. Prior Internal Audit experience in oil and oil related services at the senior level would be an advantage

The remuneration package, including full expatriate benefits, will be negotiated at a level to interest candidates already holding senior level internal audit positions

Please send your personal and career details before 15 August 1991 to: Mr Sami Ali, Ernst & Young, Executive Recruitment Division, PO Box 136, Abu Dhabi, United Arab Emirates.

ERNST & YOUNG

HEAD OF NATIONAL ACCOUNTING

A major firm of international business and financial advisers are seeking an experienced professional to manage and control their treasury, budgeting and financial reporting activities.

This senior position requires excellent management and organisational skills. Close liaison with the Treasury Manager is required to ensure that agreed treasury policy and procedures are adhered to.

Key responsibilities include the preparation of quarterly reports and annual forecasts, co-ordination and management of the annual budgetary process, and producing monthly and quarterly management accounts and forecasts.

An additional responsibility will be to design and develop the firm's internal accounting policies and communicate approved

procedures to office controllers and ensure that they are implemented.

Applicants must possess a recognised accountancy qualification with a minimum of 5 years previous experience in senior management within a large organisation. A working knowledge of a Treasury function would be an added advantage.

An excellent salary and benefits are offered for this senior management position.

Please write with full career details, listing separately any companies to whom your application should not be forwarded. All applications will be treated in the strictest confidence.

Mr P Short, BNP Business, 54 Baker Street, London W1M 1DJ. No telephone enquiries can be accepted.



ROBERT HALF
Financial Recruitment Specialists

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

INVITE YOU TO A FITNESS BREAKFAST EXERCISE AND EXECUTIVE HEALTH

ESPREE



THE CLUB
AT ROYAL MINT COURT
LONDON EC3

ON THURSDAY 15th AUGUST 1991
8.30AM TO 9.30AM

The talk will be given by Dr. Dan Tunstall Pedoe, the Medical Director of the London Sports & Medical Institute, and will address both personal and corporate fitness and will cover:

- The physical and psychological benefits of exercise.
- Exercise as part of a healthy lifestyle.
- The effect of staff health on company performance.
- The employer's role in promoting fitness.

Dr. Tunstall Pedoe is a senior lecturer and consultant cardiologist at St. Bartholomew's Hospital, Chairman of The British Association of Sport and Medicine and Medical Director

of the London Marathon. An author and contributor to various publications on exercise and health, Dr. Tunstall Pedoe also runs marathons.

The Espree Club is a new 28,000 sq. ft. Health and Fitness Club situated close to Tower Bridge and the World Trade Centre. Facilities include: general exercise centre with extensive cardiovascular and variable resistance equipment, large exercise studio, relaxation pool, health & beauty clinic and café bar.

There will be an opportunity to try out the facilities at the Espree Club either before or after the breakfast.

Please note that places at the breakfast are strictly limited.

If you wish to attend the Fitness Breakfast or you wish to receive a complimentary booklet on "The Benefits of Regular Exercise" contact Rachelle Nelson at Robert Half, Freepost, Waver House, Bedford Street, 418 The Strand, London WC2R 0BR. (Telephone: 071-836 3545). When writing please indicate whether you will wish to make use of the club's facilities on the day.

AES

TECHNICAL AND EXECUTIVE CONSULTANTS
30 New Street, Worcester WR1 2DP Tel: (0905) 23444 Fax: (0905) 23393

EUROPEAN GROUP FINANCIAL CONTROLLER

Our client is a well known company with an outstanding reputation internationally, for customer service and quality. Manufacturing a broad range of components, the company services the UK and European heavy truck, military and lift truck markets from three independent companies within the UK with a turnover in excess of £10 million.

Reporting to the head of European operations, the successful candidate will be responsible for managing corporate reporting and consolidation, management accounting and analysis, treasury/corporate finance activities and statutory/taxation requirements.

You will be 30 to 40 years old, fully qualified, ACMA/ACA with a related degree and a minimum of 5 years post qualification experience in manufacturing industries. You will be a flexible self-starter, a team player, and have knowledge of dealing with continental European customers and suppliers.

A competitive package, including bonus opportunity, will be offered to the successful candidate.

Write in confidence to Colin Smith at the address above.

INTERNATIONAL FUND MANAGEMENT ACCOUNTANT / FINANCIAL CONTROLLER

A newly created and well capitalized London based international fund management company requires a highly skilled individual to create and manage its accounting function.

Reporting to the managing director, you will develop and implement a comprehensive financial control system which will include the selection and implementation of a computerized multi-currency accounting package. This challenging job will also give you opportunities to play a key role in the customer reporting and compliance functions. Clearly, you will play a determining part in managing the development and growth of the financial and accounting functions.

You will be qualified under ACA or CIMA with three to five years proven relevant experience. You will have a clear ability to work and thrive in a small, close knit team, and a major foreign language would be a plus.

A generous compensation package is available for the right candidate.

Write Box A1585, Financial Times,
One Southwark Bridge, London SE1 9HL



UILEAC

UNIVERSITY OF LONDON
EXAMINATIONS AND ASSESSMENT COUNCIL
(University of London Examinations Board
and the London East Anglian Group for GCSE)

Finance Director

This challenging new post is in an organisation with an annual turnover in excess of £20 million, which is being formed by the amalgamation of two existing examining bodies. The Finance Director will be expected to play a leading role within the new organisation and be responsible for the provision of financial management and advice on policy at a senior level together with setting up new systems for accounting and financial control.

Applicants for the post should have a relevant accountancy qualification, several years' experience at a senior level in a commercial environment and possess drive, initiative, enthusiasm, good communication skills, and the ability to deal effectively with staff at all levels.

Salary £32,000 per annum plus London Allowance of £2,042 per annum. Subject to annual review.

For further information, please contact Miss J. Slater, Personnel Officer, Stewart House, 32 Russell Square, London WC1B 5DN, telephone 071-831 4004, to whom letters of application together with a curriculum vitae should be returned by 23 August 1991.

Financial Controller Spain £45-£55,000

Car + incentive package

Madrid base

This company is a wholly owned subsidiary of a U.S. Fortune 500 Group, a world leader in health care and optics with group sales approaching \$1.5 billion, with marketing and manufacturing subsidiaries in 25 countries and distributors in another 70.

A senior controller is required to take charge of the Finance and Accounting functions of the company's activities in Spain and Portugal. You will be responsible to the General Manager and have a strong functional line to the European Controller in London. It is essential that candidates:

- hold a recognised accountancy qualification with a good degree;
- be fluent in Spanish;
- can demonstrate a successful track record in a similar position in an international group.

This is a real career opportunity with a highly profitable and well managed group having good management development planning as a feature of its HR function.

Please write in confidence with full career and salary details, quoting reference 101 to: John Hills, Curzon Selection and Search, Shottermill Ponds, Haslemere, Surrey, GU27 3RB. Tel: 0428 651353.

CURZON Selection and Search

ASA International

International Financial Management

for

Recently Qualified Accountants

THE COMPANY: A leading multinational within the energy sector with an operating revenue in excess of US\$ 5bn.

THE POSITIONS: The group operates as a series of autonomous businesses requiring high-calibre management in each location. The first posting is to a divisional finance role and progress is through a 'fast track' career path which links the different businesses and countries within the group.

THE LOCATION: In the UK there are four immediate opportunities in South East & North West England, East Anglia & Scotland. Career progression could lead to appointments in any of the following operational regions; UK, Continental Europe, Africa, North or South America, Australasia, Middle or Far East.

QUALIFICATIONS:

- Qualified accountants aged 25-30 with exposure to the manufacturing sector.
- Commercially aware, good strategic thinkers.
- Languages would be beneficial.
- Energy, drive and good communication skills.

For further details contact: Paula MacLachlan on 071-353 1244 or write enclosing a CV to: ASA International Ludgate House, 107 Fleet Street, London EC4A 3AB.

ASA International

ACCOUNTANT DUBLIN

Qualified + Retail experience. 25-35 years ideal. £25-30k + car + benefits. CV please to:

Angel International Recruitment, 50 Fleet St, EC4A 1BE. 071 583 1661

Personal Tax Partner/Designate Dublin £ high

Our client, a major firm of Chartered Accountants, is keen to maintain the rapid growth of its Tax Department. Consequently, an outstanding opportunity has been identified for a top quality Income Tax specialist to join the team at Partner or Partner Designate level.

The successful candidate, demonstrating a first class record of achievement and with an absolute minimum of 5 years relevant experience, is likely to be aged 35-45 and may be either an Accountant, Lawyer or AITC qualified. Whilst excellent technical skills are a pre-requisite, of equal importance are the personality, creativity and drive to take a lead role in management and practice development.

To apply, or for further information, please telephone Martin Purrier ACA on 071 836 9501 or write to him, enclosing a CV, at Douglas Llambras Associates Limited, 410 Strand, London WC2R 0NS. All enquiries will be treated in the strictest confidence.



RECRUITMENT CONSULTANTS



RECRUITMENT CONSULTANT - FINANCE

FMS is pleased to announce that it has become a Division of the Reuter Simkin Group. The Division's expansion plans necessitate the recruitment of several individuals.

We are now seeking experienced Consultants who can:

- Rapidly assume responsibility for all types of assignment.
- Develop new contacts and service existing clients.
- Bring new ideas to the expanding product and service range.

Excellent career opportunities exist within the Group.

The ideal candidates will be graduates with Accounting qualifications and previous experience in recruitment.

Please write sending a recent CV to Karen Wilson BA ACMA at FMS, 5 Bream's Buildings, Chancery Lane, London EC4A 1DY.

CITY

AGE 28-35 YEARS

c. £NEG.

REUTER SIMKIN

MANAGEMENT ACCOUNTANT

LONDON E15

C. £30,000 p.a.

Tubular Edgington Group Plc requires a commercially-minded Accountant.

We are a diverse Group in the exhibition contracting industry and a minimum 2-3 years experience of contract costing and financial control is essential for this position. The successful candidate will be qualified (CIMA, ICAEW or CACA) and will report directly to the Group Financial Controller.

The position offers an attractive remuneration package which includes company car, contributory pension and share option participation.

Please write with a comprehensive CV to Douglas Parkhill, Group Financial Controller, Tubular Edgington Group Plc, 30 Marshgate Lane, London E15 0AB

CAREER CHOICE 1991

Whether you need one graduate or a hundred you will be after the best prospects, and your best prospect for reaching them is by advertising in the Financial Times Career Choice Guide. The chances of you attracting the best candidates this year are not better simply because there will be more graduates chasing less jobs.

The fact is, the best prepared prospects will still choose the jobs and companies they want, rather than the other way round.

"Career Choice" - the F.T.'s guide for final year undergrads, is an important part of the preparation.

Over 100,000 copies of the guide (one for every final year student) will be distributed on Campus in October.

It is also in the F.T. on October 17th so that parents can also ensure it reaches the right audience.

For synopsis and rate card call Richard Jones on 071-873 3460 or fax 071-873 3065

FINANCIAL TIMES

GROUP FINANCIAL CONTROLLER LONDON

£45,000 + Car

Having clearly established itself as a pre-eminent organisation in a number of distinct marketing and communications sectors, this highly innovative and creative US Group is now poised to further compound on its achievements to date.

An integral part of its development plans is the appointment of a Group Financial Controller to be based at the European Head Office in London.

As a newly created position, the selected candidate will be expected to take full responsibility for the production and analysis of both management and financial reporting as well as the provision of a full forecasting and budgeting process.

In addition to this, an important emphasis will be placed on the implementation and development of key financial controls and sophisticated computer systems to enable management to closely monitor operations throughout the Group.

As an ambitious qualified accountant aged in your late 20's to early 30's, you should be able to demonstrate first class communication skills, allied to a strong technical background, including exposure to US GAAP reporting, gained ideally from either a marketing or business services environment.

This is a high profile position offering outstanding opportunities for frontline business exposure and career development in a large and diversified Group of Companies.

To discuss this position in greater detail, please contact Charles Austin on 071 629 4463 (daytime), 0234 262195 (evenings). Alternatively, you can write to him, enclosing a full CV and quoting reference CA320, at the address below.

HARRISON WILLIS
EXECUTIVE SEARCH & SELECTION
39-40 Albemarle St., London W1X 3FD. Tel: 071-629 4463
LONDON · READING · GUILDFORD · ST ALBANS · BRISTOL

AUDIT MANAGER

London

c £38,000 + car + bonus

Our client is a truly global services group with especially strong links in all the major financial centres of the world. The international divisions employ in excess of 6,000 people and conduct business in a wide diversity of financially-related products.

An aggressive period of expansion is currently taking place in the Life Assurance market and this is particularly evident in the Far East.

As a result of this very rapid growth our client has recognised a need to strengthen the existing Operational Audit Function at a senior level. Working from a London base the successful applicant will be responsible for European and Far Eastern audits with special reference to the Life Assurance activities. Travel will be in practice about 40% and spread wherever possible throughout the year. Asia, Europe and the USA will be amongst the locations to be visited.

Applicants should be either graduate Chartered Accountants aged 28-40 years whose post qualification experience has included at least two years in L.A. related audit or be specialist senior L.A. auditors currently working with a well known group. Foreign language skills will be an advantage. Respected communicating skills will be essential.

Applicants are invited in the first instance to contact Hugo Hunt, by telephone, at the Fleet Partnership. Weekends or evenings please telephone 081-879 7717.

the fleet partnership

Financial Recruitment Consultants
37/41 Bedford Row, London WC1R 4TH
Telephone 071-831 1101 • Fax 071-831 4204